



Stock Code: 6658

SynPower Co., Ltd.

2024 Annual Report

Link to this Annual Report:

Website of Market Observation Post System:

<http://mops.twse.com.tw>

Company website: <http://www.synpower.com.tw>

Printed on March 31, 2025

I. The name, title, telephone number, and e-mail address of the spokesman or acting spokesman

1. Spokesman:

Name : Chen, Shih-Hsiang
Title : Vice President, Sales Division
Contact number : (03)369-0966
E-mail : spokesman@synpower.com.tw

2. Acting Spokesman:

Name : Lin, Yu-Ting
Title : Assistant General Manager of
Financial Administration Division
Contact number : (03)369-0966
E-mail : spokesman@synpower.com.tw

II. The address and telephone number of the Company's headquarter, branch offices, and factories

<u>Name</u>	<u>Address</u>	<u>Telephone Number</u>
Headquarter	No. 10, Lane 81, Longshou St., Taoyuan Dist., Taoyuan City, 330, Taiwan	(03)369-0966
Taoyuan Factory	No. 8 and 10, Lane 81, Longshou St., Taoyuan Dist., Taoyuan City, 330, Taiwan	(03)369-0966
Yuhe Street Factory	No. 62, Ln. 17, Yuhe St., Taoyuan Dist., Taoyuan City, 330, Taiwan	(03)369-1488
Chipboard Factory	No. 2, Datong 1st Rd., Guanyin Dist., Taoyuan City, 328, Taiwan	(03)483-2198

III. The name, address, e-mail address, and telephone number of the agency handling shares transfer

Name : Department of Transfer Agency, Grand Fortune Securities Co., Ltd.
Address : 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100405, Taiwan
Website : <http://www.gfortune.com.tw>
Telephone : (02)2383-6888

IV. The names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong

Name of CPA : CPA Shih, Chin-Chuan and CPA Liu, Shu-Lin
Name of firm : Deloitte Taiwan
Address : 20F, No. 100, Songren Rd., Xinyi Dist., Taipei
City 110016, Taiwan
Website : <http://www.deloitte.com.tw>
Telephone : (02)2725-9988

V. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company website: <http://www.synpower.com.tw>

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One. Letter to Shareholders

Ladies and Gentlemen,

I would like to thank all of our shareholders for your support and affection for the Company. On behalf of all employees of Synpower, I would like to extend my sincerest gratitude to all of you!

The international situation in 2024 remains unstable. Although the Israel-Palestine war in the Middle East has temporarily ceased fire, the Ukraine war shows no signs of stopping, and the upward trend in prices continues. Additionally, the shift of supply chains to Southeast Asia has led to increased demand for equipment, but the future development remains uncertain. Overall, aside from the supply of semiconductor and AI-related products, there is a noticeable decline in demand. Despite this, the company's operations continue to maintain steady growth thanks to proactive planning in 2023. In addition to continuing the layout of equipment and deepening product technology, the Company is also expanding into new products and markets while broadening applications in other industries, laying the foundation for future revenue growth.

Expanding into semiconductor and energy-saving systems is the Company's future development direction. Visual image processing has always been the Company's core foundation. Starting from the basics and adding intelligent manufacturing AVRIOT solutions, the Company integrates networked equipment and smart production. Through the integration and analysis of visualized data, the Company helps manufacturing factories achieve smart manufacturing and operational goals. The five major aspects of factory management-people, machines, materials, methods, and environment-are monitored through a traceability system to grasp material status, optical measurement systems for inline product monitoring, and digitized machine parameters to control equipment, environment, and production methods. This enables the collection of key data for the advancement of AI-driven smart parameter optimization systems.

SynPower's development goal is to assist clients in comprehensively solving production quality control issues by providing smart manufacturing solutions. Carbon reduction and energy saving have become shared concerns. The Company has integrated corresponding products for use not only in its own equipment but also for application with customers. Additionally, the Company has developed applications for negative pressure-related products, with expectations that in the coming year, in addition to entering the packaging, testing, and semiconductor industries, it will also achieve significant results in energy-saving and carbon-reduction products.

The results of operations for 2024 and the outlook for future operations are summarized below:

I. Operating results:

(I) Results of the business plan

With the rapid development of AI technology, the demand for printed circuit boards (PCBs) is gradually increasing due to the diverse applications of AI servers, IC substrates, AI smartphones, and other products. For the year 2024, the company's consolidated revenue reached NT\$1,594,667 thousand, a growth of 24.22% compared to the previous year. The net profit after tax was NT\$50,478 thousand, reflecting a growth of 46.36% compared to the previous year. The return on assets was 2.22%, return on equity was 4.17%, and net profit margin was 3.17%, all showing growth compared to the previous year.

(II) Budget implementation

The Company has not prepared a financial forecast for 2024; therefore, it is not applicable.

(III) Revenues, expenses, and profitability analysis:

Item			2024	2023
Financial structure	Debt to Total Assets (%)		54.90	47.38
	Long-term Fund to Fixed Assets (%)		236.22	314.29
Solvency	Current ratio (%)		163.63	216.03
	Quick ratio (%)		135.11	180.36
	Times Interest Earned Ratio		11.31	9.25
Profitability	Return on assets (%)		2.21	1.72
	Return on shareholders' equity (%)		4.17	2.99
	As a percentage of paid-in capital (%)	Operating profit	10.74	8.99
		Pre-tax profit	18.74	13.64
	Net profit margin (%)		3.17	2.53
	Earnings per share (NT\$)		1.09	0.99

(IV) Research and development:

With "Intelligent Production System" as the main focus, we are able to achieve three major goals, namely cost reduction, efficiency improvement, and yield increase.

The Company's major R&D outcomes for 2024 are summarized below:

1. The wafer inspection machine is performing the function of replacing manual inspection at the customer's plant and has entered the acceptance process.
2. The wafer CMP (Chemical Mechanical Planarization) process polishing pad inspection system has passed the customer's functional verification and can predict and detect the polishing pad's lifespan. Orders are expected to be received this year.
3. The high-precision line width and line spacing inspection machine has been successfully developed and sold, continuing to provide equipment for process monitoring required by customers for circuits below 10μm.
4. The IC substrate inspection machine helps customers perform final quality control before shipment, detecting abnormalities such as material mixing, bad code printing, and appearance defects.

II. Summary of the 2025 business plan

SynPower has returned to its original operational peak in 2024, with preparations made in advance to continue this momentum. The Company's operational headquarters is also expected to be relocated and in use by Q3 of this year. With advanced production facilities and a development platform built by the Company, SynPower is able to offer customers immediate and effective solutions to meet the changing specifications driven by new AI demands. The Company is shifting from individual machine sales to a system integration approach, providing

more comprehensive services to ensure customers' competitiveness, while also diversifying SynPower's product offerings.

The objectives for this year are as follows:

1. Co-development and manufacturing of the best optical detection systems in Japan, with optical verification and automated production line integration completed.
2. Expanding into the application and customer base of 12-inch wafer inspection and measurement equipment.
3. Providing automated inspection equipment for semiconductor backend packaging projects.
4. Collaborating with KEYENCE to automate its high-precision measurement equipment.
5. Partnering with ITRI (Industrial Technology Research Institute) on glass substrate production solutions.
6. Integrating visual CCD active monitoring AI application systems to assist in the accuracy of "personnel" or "moving objects" in production management.
7. Setting up a thin nickel-palladium plating line for substrates to help domestic substrate customers secure orders for high-frequency communication and electric vehicle applications.
8. Integration and development of semiconductor non-visible light technology and equipment applications.
9. Special cleaning equipment for semiconductor wafers and packaging.
10. Establishing an energy-saving center at the operational headquarters to showcase waste reduction and energy-saving solutions.

The management team and all employees of the Company will continue to be enthusiastic, proactive and professional, and will continue to take responsibility for each other under the self-discipline, trust, common good and innovation to create the maximum benefits for the Company and its shareholders, while contributing to the industry and the society to continue to refine the ESG spirit.

We wish our shareholders

All the best!

Chairman:
Lin, Win-Bin

Manager:
Lin, Win-Bin

Chief Accounting Officer:
Lin, Yu-Ting

Two. Corporate Governance Report

I. Information of Directors, General Managers, Vice Presidents, and Supervisors of various departments and branches

(I) Information on Directors

1. Directors' names, experience and education, shareholdings and nature of shareholdings

March 9, 2025; Unit: share; %

Title	Nationality or place of registration	Name	Gender/Age	Date elected (appointed)	Tenure	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Positions held concurrently in the company and/or in any other company	Spouse or relatives of second degree or closer acting as manager, director or supervisor			Remarks
							No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relation	
Chairman	The Republic of China	Representative: Lin, Win-Bin	Male 61-70 years old	May 15, 2024	May 14, 2027	January 10, 2003	2,080,308	6.33	2,250,337	6.19	179,479	0.49	6,485,020	17.83	Master of Science in Electrical Engineering, National Taiwan University Assistant Manager, Marketing Dept., Schmidt Scientific Taiwan Ltd.	Chief Strategy Office and Chairman, SynPower Co., Ltd. Chairman, Synpower Co., Ltd. Chairman, KING VIEW Co., Ltd. Supervisor, SynPower Co., Ltd. Dongguan Chairman, Chipboard Technology Corporation Chairman, SynTop Co., Ltd. Chairman, Syndia India Private Limited Chairman, HK Synpower Ltd. Director, Synthai Technology (Thailand) Co., Ltd. Chairman, Chi Bin Industrial Co., Ltd.	None	None	None	Note 1
Director	The Republic of China	Kao Mei Industrial Co., Ltd.		May 15, 2024	May 14, 2027	December 28, 2017	4,232,729	12.88	2,124,729	5.84	—	—	—	—	-	-	None	None	None	Note 4
	The Republic of China	Representative: Lin, Ge-Ming	Male 41-50 years old	August 8, 2024	May 14, 2027	August 8, 2024	—	—	—	—	744,965	2.05	—	—	EMBA, Aalto University, Finland Head of Asia-Pacific Procurement Center, Taiwan Robert Bosch Co., Ltd. Senior Project Manager, Inventec Appliances Corp.	Project Special Assistant, SynPower Co., Ltd.	None	None	None	Note 2

Title	Nationality or place of registration	Name	Gender/Age	Date elected (appointed)	Tenure	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Positions held concurrently in the company and/or in any other company	Spouse or relatives of second degree or closer acting as manager, director or supervisor			Remarks
							No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relation	
Director	The Republic of China	Hsu, Rong-Chun	Male 51-60 years old	May 15, 2024	May 14, 2027	May 13, 2021	55,402	0.17	59,826	0.16	—	—	—	—	Accounting and Management Decision Making Program, EMBA, National Taiwan University Chairman, Rigidtech Microelectronics Corp.	Chairman, Ever Radiant Incorporation Director, IsoGreen Biotechnology Inc.	None	None	None	None
Independent Director	The Republic of China	Wu, Tsung-Chang	Male 51-60 years old	May 15, 2024	May 14, 2027	May 13, 2021	—	—	—	—	—	—	—	—	Master of Finance, University of Texas at Dallas, U.S.A. Independent Director, Newretail Co., Ltd.	Chief Accountant, Vision International C.P.A. Firm Independent Director, HCM Co., Ltd.	None	None	None	None
Independent Director	The Republic of China	Liu, Shuai-Lei	Male 61-70 years old	May 15, 2024	May 14, 2027	May 13, 2021	—	—	—	—	—	—	—	—	Master, the School of Law of Chung Yuan Christian University National Taiwan University Bachelor, Department of Political Science	Managing Partner, Chi-Heng Law Firm	None	None	None	None
Independent Director	The Republic of China	Lai, Chao-Sung	Male 51-60 years old	October 18, 2024	May 14, 2027	May 13, 2021	—	—	—	—	—	—	—	—	National Yang Ming Chao Tung University Institute of Electronics PhD Dean of the College of Engineering, Chang Gung University Professor, Department of Electronics Engineering, Chang Gung University	Professor, Institute of Pioneer Semiconductor Innovation, National Yang Ming Chao Tung University	None	None	None	Note 3
Independent Director	The Republic of China	Lee, Ya-Hsun	Female 41-50 years old	May 15, 2024	May 14, 2027	May 15, 2024	—	—	—	—	—	—	—	—	Master of Business Administration, Boston University, USA	Special Assistant to the Chairman, Gordon Auto Body Parts Co., Ltd.	None	None	None	None

Note 1: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The Chairman also serves as the Chief Strategy Officer, responsible for strategic planning, operational decision-making, crisis management, and adjusting the Company's business direction based on market changes. The Chairman plans potential growth opportunities for the Company's future, oversees investment proposals, plans profit distribution strategies, and ensures the Company's sustainable and healthy development in terms of operational planning. The General Manager is responsible for business management, overseeing the Company's operations, marketing, R&D, and production management. The General Manager implements the Company's annual business plan, determines the annual financial budget and final accounts, and reports to the Board of Directors. Both roles complement each other, with the position of Chief Strategy Officer not higher than that of the General Manager, as they are divided according to responsibilities to improve overall business efficiency. Since the Company's former General Manager, Chen, Wen-Sheng, submitted his resignation on June 19, 2024, the Board of Directors passed a resolution on June 27, 2024, appointing Chairman Lin, Win-Bin as the acting General Manager. However, to strengthen the independence of the Board, the company has actively trained suitable candidates to implement corporate

governance.

Currently, the company has implemented specific measures as follows:

1. The four current independent directors specialize in finance and accounting, law, business management, and industry fields. With independent directors accounting for more than half of the total board seats, their supervisory function can be effectively exercised.
2. The company has established an Audit Committee composed entirely of independent directors, with more than half of the members not concurrently serving as employees or managers.
3. Independent directors are encouraged to fully discuss and provide recommendations in each functional committee for the Board's reference to implement corporate governance.

Note 2: The institutional director, Kao Mei Industrial Co., Ltd., appointed Lin, Ge-Ming as the new representative director on August 8, 2024, replacing the previous representative director, Chen, Wen-Sheng.

Note 3: Independent director Lai, Chao-Sung resigned from his position as independent director of the company starting July 31, 2024, as he was appointed as a professor at the Institute of Pioneer Semiconductor Innovation, National Yang Ming Chiao Tung University. This resignation was in accordance with the regulations of the university's full-time faculty part-time teaching guidelines. The company held a shareholder extraordinary meeting on October 18, 2024, to elect a new independent director. The election result saw Lai, Chao-Sung re-elected as independent director, and he assumed office on the same day.

Note 4: The institutional director, Kao Mei Industrial Co., Ltd., resigned on March 19, 2025, due to heavy business engagements.

2. Major Shareholders of Corporate Shareholders

March 9, 2025

Name of corporate shareholder	Major Shareholders of Corporate Shareholders
Kao Mei Industrial Co., Ltd.	Chen, Wen-Sheng (16.66%), Liu, Mei-Han (41.67%), Chen, Le-Kao (41.67%)

3. Major shareholders of the Company's major corporate shareholders: None.

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of positions as independent director in other public companies
Lin, Win-Bin	Mr. Lin, Win-Bin holds a Master's Degree in Electrical Engineering from National Taiwan University. Mr. Lin is the Chairman, General Manager and Chief Strategy Officer of the Company and has led the management team to achieve outstanding performance.	Not applicable	None
Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming (Note)	Mr. Lin, Ge-Ming holds an EMBA degree in from Aalto University, Finland. As the Project Special Assistant of the Company. He possesses extensive operating management skills and professional knowledge and background in various industries.		None
Hsu, Rong-Chun	Mr. Hsu, Rong-Chun holds an EMBA degree in Accounting and Management Decision Making Program from National Taiwan University. He is currently the Chairman of Yung-Chia Optoelectronics Corporation. He possesses extensive operating management skills and professional knowledge and background in various industries.		None
Wu, Tsung-Chang Convener of Audit Committee Remuneration Committee Nomination Committee	Mr. Wu, Tsung-Chang holds a Master Degree in Finance from the University of Texas at Dallas and is currently a Chief Accountant of Vision International CPA Firm. He possesses the relevant knowledge and ability in finance and accounting.	Did the member or his/her spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates: No. Specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees): None. Does member serve as a director, supervisor, or employee of any company having a specified relationship with the Company? No. Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years: None.	None

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of positions as independent director in other public companies
Liu, Shuai-Lei Audit Committee Remuneration Committee Convener of Nomination Committee	Mr. Liu, Shuai-Lei holds a master's degree from the School of Law of Chung Yuan Christian University and is currently the managing partner of Chi-Heng Law Firm. He specializes in legal knowledge and ability.	Did the member or his/her spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates: No. Specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees): None. Does member serve as a director, supervisor, or employee of any company having a specified relationship with the Company? No. Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years: None.	None
Lai, Chao-Sung Audit Committee Convener of Remuneration Committee Nomination Committee	Mr. Lai, Chao-Sung received his Ph.D. from National Yang Ming Chao Tung University and is currently a Professor and Dean of the College of Engineering at Chang Gung University. He possesses extensive professional knowledge in the field of engineering and background in various industries.	Did the member or his/her spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates: No. Specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees): None. Does member serve as a director, supervisor, or employee of any company having a specified relationship with the Company? No. Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years: None.	None

<div>Criteria</div> <div>Name</div>	Professional Qualifications and Experience	Independence Status	Number of positions as independent director in other public companies
Lee, Ya-Hsun Audit Committee Remuneration Committee Nomination Committee	Mrs. Lee, Ya-Hsun holds a Master degree in Business Administration from Boston University, USA. She is currently the Special Assistant to the Chairman, Gordon Auto Body Parts Co., Ltd. She possesses extensive business and corporate operations.	Did the member or his/her spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates: No. Specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees): None. Does member serve as a director, supervisor, or employee of any company having a specified relationship with the Company? No. Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years: None.	None

Note: The institutional director, Kao Mei Industrial Co., Ltd., resigned on March 19, 2025, due to heavy business engagements.

5. Board diversification and independence

(1) Board diversification:

- A. Pursuant to Article 20 of the Corporate Governance Best Practice Principles of the Company, the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that the criteria for electing directors shall not be limited to gender, age, nationality, and culture based on the Company's business operations, operating dynamics, and development needs, and that it is also advisable to include elites who meet the diversity requirements of the Company in terms of professionalism and experience in different fields.
- B. The tenth term of the Board of Directors of the Company consists of directors with extensive experiences across various industries. Among them, one holds a doctorate degree and six hold master's degrees. they specialize in the fields of finance and accounting, business management, law, industrial engineering and electrical engineering, and possess the knowledge, skills and experiences necessary to perform their duties, and they have fulfilled the diversified core competencies required for corporate governance.
- C. Six members of the Board of Directors are male of local nationality and one member of the Board of Directors is female of local nationality. The age ranges of the Board of Directors are as follows: 2 members under 50 years old, 3 members between the ages of 51 and 60 years old and 2 members between the ages of 61 and 70 years old.
- D. The Company's current Board of Directors consists of seven members. The specific management objectives and progress of the Board's diversity policy are as follows:

Management objective	Status of Achievement
A director who also serves as a company manager should not hold more than one-third of the Board.	Achieved
Independent directors shall not serve more than three consecutive terms.	Achieved
Adequate and diverse professional knowledge and skills.	Achieved

E. The implementation of the Board members' diversity policy is as follows:

Criteria Name	Basic component										Diversified core capabilities							
	Nationality or place of registration	Gender	Concurrently Servicing as an employee	Age				Length of tenure of Independent Directors			Judgment of operation	Accounting and financial analysis capabilities	Operation and management capabilities	Crisis handling capabilities	Professional knowledge	International market perspective	Leadership	Decision-making capacity
				41 50	51 60	61 70	71 80	Under 3 years	3~9 years	Over 9 years								
Lin, Win-Bin	The Republic of China	Male	v			v					v		v	v	v	v	v	v
Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming (Note)	The Republic of China	Male	v	v							v		v	v	v	v	v	v
Hsu, Rong-Chun	The Republic of China	Male			v						v	v	v	v	v	v	v	v
Wu, Tsung-Chang	The Republic of China	Male			v					v	v	v	v			v	v	v
Liu, Shuai-Lei	The Republic of China	Male				v				v	v		v	v		v	v	v
Lai, Chao-Sung	The Republic of China	Male			v					v	v		v	v	v	v	v	v
Lee, Ya-Hsun	The Republic of China	Female		v					v		v	v	v	v	v	v	v	v

Note: The institutional director, Kao Mei Industrial Co., Ltd., resigned on March 19, 2025, due to heavy business engagements.

F. If the board of directors of a TWSE/TPEX listed company does not have at least one-third representation of either gender, the reasons and measures for improving gender diversity in the board of directors are outlined below:

The current situation and measures are described and strengthened as follows:

a. Current Situation:

- Industry Structure and Characteristics: The industry has long been male-dominated, and the participation of female talent in these fields is relatively low, which in turn affects the proportion of women in decision-making positions.
- Late Policy Implementation: Compared to advanced countries in Europe and the U.S., Taiwan's policies on gender equality and board diversity have started later. Although there has been gradual improvement, more systematic measures and resource investment are still needed to narrow the gender gap.

b. Plans and Measures:

- Actively seek and attract talented women with professional capabilities to join the board of directors, focusing on women with professional backgrounds, leadership experience, and an international perspective.
- Strengthen the corporate brand image and cultural values, creating a diverse, inclusive, and gender-equal decision-making environment to enhance the attractiveness to female professionals.

Through these measures, the gender diversity of the Board of Directors will be improved.

(2) Board independence:

- A. The Company has obtained the statement of mutual relationships among all directors and the independence declarations of each independent director, confirming their independence in relation to the company, as well as that of their immediate family members. The Company's Board of Directors consists of a total of 7 seats, with 4 of them being independent directors, thus independent directors account for more than half of the board seats. Additionally, the term of office for all independent directors does not exceed three consecutive terms.
- B. The directors also serve as employees of the Company amounting to 28.57% of the total directors; the directors serve as non-employees of the Company amounting to 71.43% of the total directors.
- C. Circumstances specified in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act: None.
- D. Description of any spousal relationship or familial relationship within the second degree of kinship that may exist between any directors: None.

(II) Information of General Managers, Vice Presidents, Directors, and Supervisors of various departments and branches

March 9, 2025; Unit: share; %

Title	Nationality	Name	Gender	Date of appointment to position Date	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Positions concurrently held in other companies at present	Spouse or relatives of second degree or closer acting as managers			Remarks
					No. of shares	Shareholding Ratio	No. of shares	Shareholding Percentage	No. of shares	Shareholding percentage			Title	Name	Relation	
Chief Strategy Officer and General Manager	The Republic of China	Lin, Win-Bin	Male	March 25, 2019	2,250,337	6.19	179,479	0.49	6,485,020	17.83	M.S. in Electrical Engineering, National Taiwan University Assistant General Manager, Marketing Department, Schmidt Scientific Taiwan Ltd.	Chairman, Synpower Co., Ltd. Chairman, KING VIEW Co., Ltd. Supervisor, SynPower Co., Ltd. Dongguan Chairman, Chipboard Technology Corporation Chairman, SynTop Co., Ltd. Chairman, Syndia India Private Limited Chairman, HK Synpower Ltd. Director, Synthai Technology (Thailand) Co., Ltd. Chairman, Chi Bin Industrial Co., Ltd.	None	None	None	Note 1

Title	Nationality	Name	Gender	Date of appointment to position Date	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Positions concurrently held in other companies at present	Spouse or relatives of second degree or closer acting as managers			Remarks
					No. of shares	Shareholding Ratio	No. of shares	Shareholding Percentage	No. of shares	Shareholding percentage			Title	Name	Relation	
Sales Division Vice President	The Republic of China	Chen, Shih-Hsiang	Male	July 1, 2018	418,020	1.15	—	—	—	—	EMBA, National Taipei University of Technology Sales Manager, Sink Testing Co., Ltd.	Director, Chipboard Technology Corporation Chairman and General Manager, SynPower Co., Ltd. Kunshan Chairman and General Manager, SynPower Co., Ltd. Dongguan Director, Jiangsu SLK Co., Ltd. Chairman, Synthai Technology (Thailand) Co., Ltd.	None	None	None	None
Assistant General Manager, Commodity Development Division	The Republic of China	Hsu, Hung-Yueh	Male	June 2, 2018	183,680	0.51	37,795	0.10	—	—	Department of Electronic Engineering, Ming Hsin Engineering College Section Chief, Sales Section, Schmidt Scientific Taiwan Ltd.	Supervisor, SynTop Co., Ltd. Supervisor, SynPower Co., Ltd. Kunshan	None	None	None	None
Assistant General Manager of Financial Administration Division (Treasurer and Corporate	The Republic of China	Lin, Yu-Ting	Female	November 17, 2020	100,190	0.28	—	—	—	—	Department of Banking and Insurance, Hsing Wu Junior College of Commerce Manager, Finance	Supervisor, Chipboard Technology Corporation	None	None	None	None

Governance Officer)											Dept., TAIWAN ORDER FURNITURE CORPORATION Manager, Finance & Accounting Department, Rigidtech Microelectronics Corp.					
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- Note 1: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The Chairman also serves as the Chief Strategy Officer, responsible for strategic planning, operational decision-making, crisis management, and adjusting the Company's business direction based on market changes. The Chairman plans potential growth opportunities for the Company's future, oversees investment proposals, plans profit distribution strategies, and ensures the Company's sustainable and healthy development in terms of operational planning. The General Manager is responsible for business management, overseeing the Company's operations, marketing, R&D, and production management. The General Manager implements the Company's annual business plan, determines the annual financial budget and final accounts, and reports to the Board of Directors. Both roles complement each other, with the position of Chief Strategy Officer not higher than that of the General Manager, as they are divided according to responsibilities to improve overall business efficiency. Since the Company's former General Manager, Chen, Wen-Sheng, submitted his resignation on June 19, 2024, the Board of Directors passed a resolution on June 27, 2024, appointing Chairman Lin, Win-Bin as the acting General Manager. However, to strengthen the independence of the Board, the company has actively trained suitable candidates to implement corporate governance. Currently, the company has implemented specific measures as follows:
1. The four current independent directors specialize in finance and accounting, law, business management, and industry fields. With independent directors accounting for more than half of the total board seats, their supervisory function can be effectively exercised.
 2. The company has established an Audit Committee composed entirely of independent directors, with more than half of the members not concurrently serving as employees or managers.
 3. Independent directors are encouraged to fully discuss and provide recommendations in each functional committee for the Board's reference to implement corporate governance.

II. Remuneration paid during the most recent fiscal year to Directors, Supervisors, the General Manager, and Vice Presidents:

(I) Remuneration to Directors (including Independent Directors):

December 31, 2024; unit: NT\$ thousand

(1) Remuneration to Directors (including Independent Directors)																						December 31, 2023, and, if applicable, 2022	
Title	Name	Directors' remuneration								Sum of A+B+C+D and ratio to net income		Compensation received as employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company	
		Compensation (A)		Retirement pay and pension (B)		Directors' remuneration (C) (Note)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Severance payment and pension (F)		Employee remuneration (G)							
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements		
																		Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares		
Chairman	Lin, Win-Bin																						
Director	Representative of Kao Mei Industrial Co., Ltd.: Chen, Wen-Sheng	-	-	-	-	458	616	426	426	884 2.46%	1,042 2.90%	5,150	7,291	5,030	5,030	145	-	145	-	11,209 31.16%	13,508 37.55%	-	
Director	Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming																						
Director	Hsu, Rong-Chun																						
Independent Director	Wu, Tsung-Chang																						
Independent Director	Liu, Shuai-Lei	1,200	1,200	-	-	-	-	-	-	1,200 3.34%	1,200 3.34%	-	-	-	-	-	-	-	-	1,200 3.34%	1,200 3.34%	-	
Independent Director	Lai, Chao-Sung																						
Independent Director	Lee, Ya-Hsun																						
*Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The Company's tenth term of directors which comprises three directors and four independent directors were elected at the 2024 Annual General Meeting of Shareholders held on May 15, 2024. The independent directors serve as members of the Audit Committee and the Remuneration Committee of the Company are paid a fixed remuneration. *In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /an consolidated entities / invested enterprises): None.																							

Note: The institutional director, Kao Mei Industrial Co., Ltd., appointed Lin, Ge-Ming as the new representative director on August 8, 2024, replacing the previous representative director, Chen, Wen-Sheng. The institutional director, Kao Mei Industrial Co., Ltd., resigned on March 19, 2025, due to heavy business engagements.

Compensation brackets table

Range of compensation paid to directors	Name of director			
	Sum of first 4 compensations (A+B+C+D)		Sum of first 7 compensations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Below NT\$1,000,000	Lin, Win-Bin, Hsu, Rong-Chun, Wu, Tsung-Chang, Liu, Shuai-Lei, Lai, Chao-Sung, Lee, Ya-Hsun, Representative of Kao Mei Industrial Co., Ltd.: Chen, Wen-Sheng(Note), Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming(Note)	Lin, Win-Bin, Hsu, Rong-Chun, Wu, Tsung-Chang, Liu, Shuai-Lei, Lai, Chao-Sung, Lee, Ya-Hsun, Representative of Kao Mei Industrial Co., Ltd.: Chen, Wen-Sheng(Note), Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming(Note)	Lin, Win-Bin, Hsu, Rong-Chun, Wu, Tsung-Chang, Liu, Shuai-Lei, Lai, Chao-Sung, Lee, Ya-Hsun, Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming (Note)	Lin, Win-Bin, Hsu, Rong-Chun, Wu, Tsung-Chang, Liu, Shuai-Lei, Lai, Chao-Sung, Lee, Ya-Hsun, Representative of Kao Mei Industrial Co., Ltd.: Lin, Ge-Ming (Note)
NT\$1,000,000 (inclusive) - NT\$2,000,000 (non-inclusive)	-	-	Lin, Win-Bin	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (non-inclusive)	-	-	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (non-inclusive)	-	-	-	Lin, Win-Bin
NT\$5,000,000 (inclusive) - NT\$10,000,000 (non-inclusive)	-	-	Representative of Kao Mei Industrial Co., Ltd.: Chen, Wen-Sheng(Note)	Representative of Kao Mei Industrial Co., Ltd.: Chen, Wen-Sheng(Note)
NT\$10,000,000 (inclusive) - NT\$15,000,000 (non-inclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (non-inclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (non-inclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (non-inclusive)	-	-	-	-
NT\$100,000,000 and above	-	-	-	-
Total	7 individuals	7 individuals	7 individuals	7 individuals

Note: The institutional director, Kao Mei Industrial Co., Ltd., appointed Lin, Ge-Ming as the new representative director on August 8, 2024, replacing the previous representative director, Chen, Wen-Sheng. The institutional director, Kao Mei Industrial Co., Ltd., resigned on March 19, 2025, due to heavy business engagements.

(II) Remuneration to Supervisors: None (The Company has established the Audit Committee)

(III) Compensation to the General Managers and Vice President

December 31, 2024; unit: NT\$ thousand

Title	Name	Salary (A)		Severance payment and pension (B)		Rewards and special disbursements (C)		Employee remuneration (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chief Strategy Officer and General Manager (Note 1)	Lin, Win-Bin	6,712	10,405	5,138	5,138	844	844	285	-	285	-	12,979 36.07%	16,672 46.34%	-
General Manager (Note 2)	Chen, Wen-Sheng													
Vice President, Sales Division	Chen, Shih-Hsiang													

*Disclosures must be made for all persons in positions equivalent to general manager or vice president, regardless of job title (e.g., general manager, chief executive officer, chief administrative officer...etc.)

Note 1: Chairman Lin, Win-Bin has served as the Chief Strategy Officer since June 27, 2024, and as the General Manager since July 1, 2024.

Note 2: General Manager Chen, Wen-Sheng resigned on June 19, 2024.

Compensation brackets table

Range of compensation to General Manager and Vice President	Names of General Manager and Vice President	
	The Company	All companies included in the financial statements
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (non-inclusive)	Lin, Win-Bin	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (non-inclusive)	Chen, Shih-Hsiang	Lin, Win-Bin
NT\$3,500,000 (inclusive) - NT\$5,000,000 (non-inclusive)	-	Chen, Shih-Hsiang
NT\$5,000,000 (inclusive) - NT\$10,000,000 (non-inclusive)	Chen, Wen-Sheng	Chen, Wen-Sheng
NT\$10,000,000 (inclusive) - NT\$15,000,000 (non-inclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (non-inclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (non-inclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (non-inclusive)	-	-
NT\$100,000,000 and above	-	-
Total	3 individuals	3 individuals

Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers:

December 31, 2024; unit: NT\$ thousand

	Title	Name	Amount paid in shares	Amount paid in cash	Total	The sum as a percentage of net income
Manager	Chief Strategy Officer and General Manager (Note 1)	Lin, Win-Bin	-	444	444	1.47%
	General Manager(Note 2)	Chen, Wen-Sheng				
	Vice President, Sales Division	Chen, Shih-Hsiang				
	Assistant General Manager, Commodity Development Division	Hsu, Hung-Yueh				
	Assistant General Manager of Financial Administration Division	Lin, Yu-Ting				

Note 1: Chairman Lin, Win-Bin has served as the Chief Strategy Officer since June 27, 2024, and as the General Manager since July 1, 2024.

Note 2: General Manager Chen, Wen-Sheng resigned on June 19, 2024.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and Vice Presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Information on the remuneration paid to the Company's directors, supervisors, general manager and Vice President during the past 2 fiscal years by the Company and by each other company included in the consolidated financial statements:

Name	2023 The sum as a percentage of net profit		2024 The sum as a percentage of net profit	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	30.85%	45.53%	34.50%	40.89%
General Manager and Vice President	34.79%	53.00%	36.07%	46.34%

2. Remuneration policies, standards, and packages, the procedure for determining

remuneration, and its linkage to operating performance and future risk exposure:

A. Remuneration policy for directors

It is stipulated in Article 27 of the Company's Articles of Incorporation. When the Company makes profits during the year, the Board of Directors shall resolve to appropriate no more than 5% of the profit remuneration to the directors and report it to the shareholders at the annual general shareholders' meeting.

B. General Manager and Vice President

The remuneration to the general manager and Vice President of the Company consists of salaries, bonuses, employee compensation and related remuneration to concurrently serve as a director, which are determined based on the positions held, responsibilities undertaken, and contributions to the Company with reference to industry standards, while employee compensation is approved by the shareholders at the annual shareholders' meeting and distributed as part of the annual earnings distribution of the Company based on the Company's performance in the year.

C. Linkage to operating performance and future risk exposure

The remuneration is determined based on the positions held, responsibilities undertaken and contributions made to the Company, with reference to industry standards. The remuneration system is reviewed periodically by the Remuneration Committee in accordance with actual operating conditions and relevant laws and regulations, in order to strike a balance between the Company's sustainable operation and risk management.

III. Corporate governance:

(I) Functionality of Board of Directors:

A total of 12 Board of Directors meetings were held in 2024; below are directors' and supervisors' attendance records:

Title	Name	No. of meetings attended in person	Number of proxy attendances	In-person attendance rate (%)	Remarks
Chairman	Chi Bin Industrial Co., Ltd. Representative: Lin, Win-Bin	4	0	100%	Dismissal on May 15, 2024
Chairman	Lin, Win-Bin	8	0	100%	Appointed on May 15, 2024
Director	Kao Mei Industrial Co., Ltd. Representative: Chen, Wen-Sheng	7	0	100%	Dismissal on August 8, 2024

Title	Name	No. of meetings attended in person	Number of proxy attendances	In-person attendance rate (%)	Remarks
Director	Kao Mei Industrial Co., Ltd. Representative: Lin, Ge-Ming	5	0	100%	Appointed on August 8, 2024 Dismissal on March 19, 2025
Director	Hsu, Rong-Chun	12	0	100%	None
Independent Director	Wu, Tsung-Chang	12	0	100%	None
Independent Director	Liu, Shuai-Lei	12	0	100%	None
Independent Director	Lai, Chao-Sung	10	0	100%	Resigned on July 31, 2024 Appointed on October 18, 2024
Independent Director	Lee, Ya-Hsun	7	0	100%	Appointed on May 15, 2024

Other mandatory disclosures:

I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed motions, independent directors' opinions and how the Company has responded to such opinions:

(I) Any matter under Article 14-3 of the Securities and Exchange Act: see below table.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None.

Board of Directors Date Session No.	Article 14-3 of the Securities and Exchange Act Content of the motion(s) and resolution result(s)	The opinions of the independent directors	The measures taken by the Company based on the opinions of the independent directors	Dissenting or qualified opinion of an independent director that is on record or stated in writing
January 30, 2024 26th meeting of the 9th term	Approval of the regular evaluation of the salary and compensation of the Company's managers.	None	None	None
	Approval of the regular evaluation of the salary and compensation of the Company's directors.	None	None	None
	Approval of the 2023 year-end bonus for managers of the Company.	None	None	None
February 22, 2024 27th meeting of the 9th term	Approval of the Company's 2023 employee and director compensation allocation.	None	None	None

	Approval of the Company's financial statements and business report for the year 2023.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
	Approval of the revision of the "Audit Committee Organization Rules."	None	None	None
	Approval of the revision of the "Board of Directors Meeting Operations and Management Procedures."	None	None	None
	Approval of the establishment of the Company's "Pre-approval Review Procedures for Non-Assurance Services Provided by Certified Public Accountants."	None	None	None
	Approval of the Company's 2023 internal control system effectiveness assessment and internal control system statement.	None	None	None
March 28, 2024 28th meeting of the 9th term	Approval of the revision of the "Customer Credit Management Procedures."	None	None	None
May 9, 2024 29th meeting of the 9th term	Approval of the review of the financial report for the first quarter of 2024.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
	Approval of the outsourcing of the air- conditioning system project for the Company's Xinsheng Road factory.	None	None	None
	Approval of the investment plan for the establishment of a subsidiary.	None	None	None
	Approval of the revision of the "Recruitment and Selection Operations Management Procedures."	None	None	None
	Approval of the appointment fees for the certified public accountant for the year 2024.	None	None	None
June 27, 2024 1st meeting of the 10th term	Approval of the appointment of the audit committee members.	None	None	None
	Approval of the appointment of the remuneration committee members.	None	None	None
	Approval of the appointment of the nomination committee members.	None	None	None

June 27, 2024 2nd meeting of the 10th term	Approval of the distribution proposal of remuneration to directors of the Company for 2023.	None	None	None
	Approval of the revision of the "Board of Directors' Compensation Distribution Procedures."	None	None	None
	Approval of the appointment of the Chief Strategy Officer for the Company.	None	None	None
	Approved the personnel change of the Company's General Manager.	None	None	None
	Approval of the personnel change of the Company's Chief Information Security Officer.	None	None	None
	Approval of the pension proposal for Director Chen Wen-Sheng, who concurrently serves as the General Manager.	None	None	None
	Approval of the salary adjustment proposal for the Company's managers for the year 2024.	None	None	None
	Approval of the application for providing a guarantee and endorsement for the subsidiary and applying for a credit limit with Taishin Bank.	None	None	None
	Approval of the application to provide a guarantee and endorsement for the subsidiary and to renew the credit limit application with corresponding bank.	None	None	None
August 9, 2024 3rd meeting of the 10th term	Approval of the review of the financial report for the second quarter of 2024.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
	Approval of the distribution of remuneration to managers and directors who concurrently serve as employees of the Company for the year 2023.	None	None	None
	Approval of the distribution of performance bonuses to managers and directors who concurrently serve as employees of the Company for the first half of 2024.	None	None	None
September 19, 2024 4th meeting of the 10th term	Approval of the Company's 2024 cash capital increase and issuance of new shares.	None	None	None
	Approval of the formulation of the 2024 cash capital increase employee stock subscription plan.	None	None	None
	Approval of the establishment of an information security policy.	None	None	None

	Approval of the establishment of an information security incident response and reporting procedure.	None	None	None
	Approval of the Company's investment in establishing a subsidiary in Thailand.	None	None	None
October 18, 2024 5th meeting of the 10th term	Approval of the appointment of the audit committee members.	None	None	None
	Approval of the appointment of the remuneration committee members.	None	None	None
	Approval of the appointment of the nomination committee members.	None	None	None
	Approval of the signing of an industry-academia cooperation and academic feedback mechanism agreement with National Yang Ming Chiao Tung University.	None	None	None
November 5, 2024 6th meeting of the 10th term	Approval of the review of the financial report for the third quarter of 2024.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
	Approval of the revision of the executive compensation and benefits policy.	None	None	None
December 19, 2024 7th meeting of the 10th term	Approval of the amendments to the Company's 2025 internal audit plan.	None	None	None
	Approval of the evaluation of the independence and suitability of the certified public accountants of the Company.	None	None	None
	Approval of for the performance evaluation of members of the Board of Directors and members of the Functional Committee in 2024.	None	None	None
	Approval of the regular evaluation of the salary and compensation of the Company's managers.	None	None	None
	Approval of the regular evaluation of the salary and compensation of the Company's directors.	None	None	None
	Approval of establishing risk management policies and procedures.	None	None	None
	Approval of establishing sustainable information management measures.	None	None	None
	Approval of the 2024 cash capital increase, with participation from the manager and directors with employee status in the allocation of employee stock options.	None	None	None

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: see below table.

Board of Directors Date Session No.	Name of director	Motion	Reason for Recusal for Conflict of Interest	Voting Participation
January 30, 2024 26th meeting of the 9th term	Lin, Win-Bin, Chen, Wen-Sheng	Proposal for the regular evaluation of the salary and compensation of the Company's managers.	it was related to the directors' own interests.	Did not participate in the voting as
	Lin, Win-Bin, Chen, Wen-Sheng	Proposal for the 2023 year-end bonus for managers of the Company.	it was related to the directors' own interests.	Did not participate in the voting as
May 9, 2024 29th meeting of the 9th term	Hsu, Rong-Chun	Proposal for the outsourcing of the air- conditioning system project for the Company's Xinsheng Road factory.	it was related to the directors' own interests.	Did not participate in the voting as
June 27, 2024 2nd meeting of the 10th term	Lin, Win-Bin, Chen, Wen-Sheng, Hsu, Rong-Chun	Proposal for the distribution proposal of remuneration to directors of the Company for 2023.	it was related to the directors' own interests.	Did not participate in the voting as
	Lin, Win-Bin	Proposal for the appointment of the Chief Strategy Officer for the Company.	it was related to the directors' own interests.	Did not participate in the voting as
	Lin, Win-Bin	Proposal for the personnel change of the Company's General Manager.	it was related to the directors' own interests.	Did not participate in the voting as
	Lin, Win-Bin	Proposal for the personnel change of the Company's Chief Information Security Officer.	it was related to the directors' own interests.	Did not participate in the voting as
	Chen, Wen-Sheng	Proposal for the pension proposal for Director Chen Wen-Sheng, who concurrently serves as the General Manager.	it was related to the directors' own interests.	Did not participate in the voting as
December 19, 2024 7th meeting of the 10th term	Lin, Win-Bin	Proposal for the regular evaluation of the salary and compensation of the Company's managers.	it was related to the directors' own interests.	Did not participate in the voting as

	Lin, Win-Bin, Lin, Ge-Ming	Proposal for the 2024 cash capital increase, with participation from the manager and directors with employee status in the allocation of employee stock options.	it was related to the directors' own interests.	Did not participate in the voting as
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III. For TWSE or TPEx listed companies are required to disclose details regarding the evaluation cycle and period, scope, methodology, and criteria of the Board of Directors' self-evaluation (or peer evaluation). Additionally, they must report the implementation status of the board evaluation.

To enhance corporate governance and improve the effectiveness of the Board of Directors, the Company has established performance objectives to strengthen board operations. On August 9, 2021, the Board of Directors approved the Board Performance Evaluation Regulations. An internal board performance evaluation is conducted annually, while an external evaluation must be carried out at least once every three years by an independent professional institution or a team of external experts and scholars. The results of both internal and external board performance evaluations must be finalized by the end of the first quarter of the following year. The evaluation criteria are as follows :

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year.	January 1,2024 to December 31, 2024	The Board of Directors	Internal self-evaluation by the Board of Directors	There are a total of 45 evaluation items in five aspects: the degree of participation in company operations, improving the quality of board decision-making, the composition and structure of the board of directors, the selection and continuous training of directors, and internal control.
Once a year.	January 1,2024 to December 31, 2024	Individual directors	Self-assessment by directors	There are a total of 23 assessment items in six aspects, including mastery of company goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and

				communication, directors' professional and continuing education, and internal control.
Once a year.	January 1,2024 to December 31, 2024	Functional committees (Audit committee, Remuneration Committee and Nomination Committee)	Self-assessment by members of functional committees	There are a total of 24 evaluation items in five aspects, including the degree of participation in company operations, awareness of functional committee responsibilities, improvement of decision-making quality of functional committees, functional committee composition and member selection, and internal control.
Once every three years.	August 1,2023 to July 31, 2024	The Board of Directors	Appoint external professional organizations (Taiwan Corporate Governance Association)	<p>Evaluation Dimensions and Content: The evaluation is based on five key dimensions: composition and division of responsibilities of the board of directors, guidance and supervision by the board, delegation of authority and risk management by the board, communication and collaboration within the board, and self-discipline and improvement of the board. An evaluation questionnaire is designed for each dimension.</p> <p>Evaluation Methods: Document review, self-</p>

				assessment questionnaires for directors, and video interviews. The video interviews will be conducted by four experts from the Taiwan Corporate Governance Association .
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The Taiwan Corporate Governance Association issued a performance evaluation report for the Company's Board of Directors on September 19, 2024. The overall evaluation demonstrates the board's proactive attitude and ambition to improve corporate governance. The report was presented to the board of directors on November 5, 2024. The Company plans to use the improvement suggestions as a reference for continuously strengthening the functions of the Board of Directors.

The recommendations from the evaluation report and the proposed measures to be implemented are as follows:

The recommendation from the evaluation report	The proposed measures to be implemented
It is recommended that your Company establish an "Orientation Program for New Directors," which could include arrangements such as dedicated briefings, site visits, and discussions with key management to help new directors quickly grasp the Company's operations, thereby enabling them to fulfill their duties effectively. Additionally, it is suggested to consider compiling a "Director's Handbook" containing topics such as an overview of the company's business and industry trends, legal regulations and the rights and duties of directors, internal company rules related to the fulfillment of director responsibilities, and professional development needs, which would serve as a reference for directors and be signed for record-keeping.	The Director's Handbook is expected to be completed and compiled by 2025.
Your Company's website has established a whistleblower section and discloses a dedicated email address for reporting. However, the key focus of the whistleblower mechanism is to establish direct communication channels with independent directors. It is recommended that your company set up a whistleblower mailbox that can be simultaneously accessed by independent directors (or the audit committee) to receive reports without prior screening or forwarding, in order to further strengthen the functionality of the whistleblower mechanism.	The whistleblower mailbox was established in November 2024, with the Chairman of the Audit Committee receiving reports concurrently.
To ensure that the Board of Directors can effectively fulfill their supervisory responsibilities, it is recommended that your Company establish a mechanism and procedure for reporting occasional material events. The regulations should specify the categories of material events that require immediate reporting, the content of the information, the reporting process and timeline, and the appropriate levels for receipt. The reporting recipients should include all board members to ensure that all directors are fully informed of significant company matters even during periods when no board meetings are taking place.	The mechanism and procedure for reporting occasional material events is expected to be established by 2025.

The self-assessment results for the Board of Directors, board members, and functional committees (Audit Committee, Compensation Committee, and Nomination Committee) for the year 2024 achieved an overall average completion rate of

99.67%, all above standard, with no significant areas for improvement. The evaluation results were reported to the Board of Directors on December 19, 2024, and will serve as a reference for the performance, compensation, and reappointment of the board and committee members.

IV. Enhancements to the functionality of the board of directors in the current and the last year (e.g. assembly of an Audit Committee, improvement of information transparency, etc.), and progress of such enhancements:

Enhancements to the functionality of the board of directors	Measures taken toward achievement thereof
Establish Audit Committee	The Company established an Audit Committee on May 13, 2021, which operates in accordance with the relevant provisions of the Charter of the Audit Committee.
Internal Control	1. The Company has completed the internal control self-inspection for 2024. Based on the results of the self-inspection, the Company issued the Statement of Internal Control System, which indicates that the Company's internal control system has been designed and implemented effectively. 2. The chief internal auditor attends the meetings of the Audit Committee and the Board of Directors to report on the internal audit operations, and submits the audit report to the independent directors by the end of the following month.
Audit of financial statements.	The 2024 financial statements were audited by the Audit Committee and an audit report was issued accordingly.
Improvement of the quality of the board of directors' decision making	1. Convene at least one board meeting per quarter. 2. All motions shall be reviewed by the Audit Committee prior to the convening of the board meeting. 3. Dissenting or qualified opinion were expressed by the independent directors.
Participation in the operation of the company	The in-person attendance rates of each director in 2024 for the Board of Directors and the Audit Committee are 100%.

(II) Operation of the Audit Committee

The number of audit committee meetings held in 2024 was 8. The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendances	In-person attendance rate (%)	Remarks
Independent Director	Wu, Tsung-Chang	8	0	100%	None
Independent Director	Liu, Shuai-Lei	8	0	100%	None
Independent Director	Lai, Chao-Sung	6	0	100%	Resigned on July 31, 2024 Appointed on October 18, 2024

Independent Director	Lee, Ya-Hsun	5	0	100%	Appointed on June 27, 2024
<p>Other mandatory disclosures:</p> <p>I. The Company's Audit Committee consists of four independent directors. The Audit Committee assists the Board in overseeing the Company's quality and integrity in executing accounting, auditing, financial reporting processes, and financial controls. For details on the qualifications, experience, and independence of the Audit Committee members, please see "Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors" on pages 7-9 of the Annual Report.</p> <ul style="list-style-type: none"> ● The number of audit committee meetings held in 2024 was 8, discussing the following matters: <ol style="list-style-type: none"> 1. Establishment or revision of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act. 2. Assessment of the effectiveness of internal control systems. 3. Establishment or revision of procedures for handling significant financial transactions, including acquisition or disposal of assets, derivative transactions, lending of funds, endorsement or providing guarantees, in compliance with Article 36-1 of the Securities and Exchange Act. 4. Matters involving potential conflicts of interest for directors. 5. Major asset or derivative transactions. 6. Major lending of funds, endorsements, or guarantees. 7. Issuance, offering, or private placement of equity securities. 8. Appointment, dismissal, or compensation of the certified public accountant. 9. Appointment or dismissal of financial, accounting, or internal audit officers. 10. Financial reports signed or sealed by the Chairman, Manager, and Accounting Officer. 11. Other significant matters specified by the company or regulatory authorities. ● Review of Financial Reports <p>The Board of Directors has prepared the Company's 2023 business report, parent company only financial statements, consolidated financial statements, and earnings appropriation proposal. The parent company only financial statements and consolidated financial statements have been audited by Deloitte Taiwan, to which they issued an independent auditor's report. We have reviewed the aforementioned business report, parent company only financial statements, consolidated financial statements, and earnings appropriation proposal, and have determined that these reports and statements are in compliance with the Securities and Exchange Act and the Companies Act, and we hereby issue the report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Companies Act, as set forth above.</p> ● Evaluation of Internal Control System Effectiveness <p>The Audit Committee evaluated the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, and legal compliance controls). It reviewed regular reports from the internal audit department, external auditors, and management on risk management and legal compliance. Referring to the Internal Control—Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee concluded that the Company's risk management and internal control systems are effective, and the necessary control mechanisms have been implemented to monitor and correct any non-compliance.</p> ● Appointment of Certified Public Accountants <p>The Audit Committee is tasked with overseeing the independence of the external auditor to ensure the fairness of financial statements. Generally, the auditor is prohibited from providing services other than tax-related services or those approved by the Audit Committee. All services provided by the external auditor must be approved by the Audit Committee. To ensure the auditor's independence, the Audit Committee follows the "Guidance on the Exercise of Powers by Independent Directors and Audit Committees" issued by the Taiwan Corporate Governance Association, Article 47 of the Certified Public Accountant Act, and the "Ethics of the Accounting Profession" Bulletin No. 10, which covers integrity, fairness, objectivity, and independence. The committee evaluated the auditor's independence, professionalism, and suitability, including any relationships with the Company or financial interests. On December 19, 2024, the 5th meeting of the 2nd Audit Committee and the 7th meeting of the 10th Board of Directors approved the appointment of Deloitte Taiwan's accountants, Oscar Shih and Shulin Liu, who meet the independence evaluation standards, to serve as the company's certified public accountants.</p> 					

II. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the board of directors meeting held, the discussed topics, the Audit Committee's resolution, and how the Company has responded to Audit Committee's opinions:

(I) Any matter under Article 14-5 of the Securities and Exchange Act: see below table.

Audit Committee Date Session No.	Article 14-5 of the Securities and Exchange Act Content of the motion(s) and resolution result(s)	The opinions of the independent directors	The measures taken by the Company based on the opinions of the independent directors	Dissenting or qualified opinion of an independent director that is on record or stated in writing
February 22, 2024 24th meeting of the 1st term	Approval of the Company's financial statements and business report for the year 2023.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
	Approval of the revision of the "Audit Committee Organization Rules."	None	None	None
	Approval of the revision of the "Board of Directors Meeting Operations and Management Procedures."	None	None	None
	Approval of the establishment of the Company's "Pre-approval Review Procedures for Non-Assurance Services Provided by Certified Public Accountants."	None	None	None
	Approval of the Company's 2023 internal control system effectiveness assessment and internal control system statement.	None	None	None
March 28, 2024 25th meeting of the 1st term	Approval of the revision of the "Customer Credit Management Procedures."	None	None	None
May 9, 2024 26th meeting of the 1st term	Approval of the review of the financial report for the first quarter of 2024.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
	Approval of the outsourcing of the air- conditioning system project for the Company's Xinsheng Road factory.	None	None	None
	Approval of the investment plan for the establishment of a subsidiary.	None	None	None
	Approval of the revision of the "Recruitment and Selection Operations Management Procedures."	None	None	None
	Approval of the appointment fees for the certified public accountant for the year 2024.	None	None	None
June 27, 2024 1st meeting of the 2nd term	Approval of the application for providing a guarantee and endorsement for the subsidiary and applying for a credit limit with Taishin Bank.	None	None	None

	Approval of the application to provide a guarantee and endorsement for the subsidiary and to renew the credit limit application with corresponding bank.	None	None	None
August 9, 2024 2nd meeting of the 2nd term	Approval of the review of the financial report for the second quarter of 2024.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
September 19, 2024 3rd meeting of the 2nd term	Approval of the Company's 2024 cash capital increase and issuance of new shares.	None	None	None
	Approval of the establishment of an information security policy.	None	None	None
	Approval of the establishment of an information security incident response and reporting procedure.	None	None	None
	Approval of the Company's investment in establishing a subsidiary in Thailand.	None	None	None
November 5, 2024 4th meeting of the 2nd term	Approval of the review of the financial report for the third quarter of 2024.	None	None	None
	Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature.	None	None	None
December 19, 2024 5th meeting of the 2nd term	Approval of the amendments to the Company's 2025 internal audit plan.	None	None	None
	Approval of the evaluation of the independence and suitability of the certified public accountants of the Company.	None	None	None
	Approval of establishing risk management policies and procedures.	None	None	None
	Approval of establishing sustainable information management measures.	None	None	None

(II) Other than those described above, any resolutions not supported by the Audit Committee but approved by more than two-thirds of the directors: None.

III. Avoidance of involvement in discussions involving conflict of interest by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process: None.

IV. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

Audit Committee Meeting Dates	Significant Matters Discussed with Internal Audit Officer	Significant Matters Discussed with CPAs
February 22, 2024	Internal audit report (separate meeting)	Review of the 2023 financial statements, including any issues or difficulties encountered during

			the review and management's responses (separate meeting)
	May 9, 2024	Internal audit report (separate meeting)	Review of the Q1 2024 financial statements, including any issues or difficulties encountered during the review and management's responses (separate meeting)
	August 9, 2024	Internal audit report (separate meeting)	Review of the Q2 2024 financial statements, including any issues or difficulties encountered during the review and management's responses (separate meeting)
	November 5, 2024	Internal audit report (separate meeting)	Review of the Q3 2024 financial statements, including any issues or difficulties encountered during the review and management's responses (separate meeting)
	December 19, 2024	2025 internal audit plan (separate meeting)	Audit planning for the 2024 financial statements and key audit matters (separate meeting)
<p>Result: The above matters were reviewed or approved by the Audit Committee and carried out in accordance with the resolutions. Independent directors raised no objections.</p>			

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. The information has been disclosed on the Company’s website.	No material difference
II. Shareholding structure and shareholders’ interests (I) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	✓		(I). The Company has established the Share Operations Procedures to regulate the related matters, and in case of disputes and litigations, the Company has appointed lawyers to assist in the handling of such matters.	No material difference

(II) Is the Company constantly informed of the identities of its major shareholders with actual control of the Company and their ultimate controllers?	✓	(II). The Company has appointed a stock agency to assist in matters related to stock affairs and to retain the change of major shareholders have controlling power, and of the persons with ultimate control over those major shareholders.
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓	(III). The business and financial transactions between the Company and its affiliates are governed by written regulations promulgated by the competent authority.
(IV) Has the Company established internal policies that prevent insiders from trading securities using non-public information?	✓	(IV). The Company has established "Insider Trading Prevention Management Procedures," which regulate that all employees, managers, and directors, as well as anyone who may have access to the Company's information due to their professional or control relationships,

			are prohibited from engaging in any activities that may involve insider trading. The company also conducts regular internal education and training sessions to raise awareness.	
<p>III. Composition and responsibilities of the board of directors</p> <p>(I) Has the board devised and implemented policies to ensure the diversity of its members?</p>	✓		<p>(I) According to the Company's "Corporate Governance Best Practice Principles," in order to achieve the goals of corporate governance, the board of directors should collectively possess the following competencies:</p> <ol style="list-style-type: none"> 1. Judgement of operation 2. Accounting and financial analysis capabilities 3. Operation and management capabilities 4. Crisis handling capabilities 5. Professional knowledge 	No material difference

			<p>6. International market perspective</p> <p>7. Leadership</p> <p>8. Decision-making capacity</p> <p>To help the Board achieve the aforementioned goals and enhance its effectiveness, the Company has established a board member diversity policy. According to the Company's "Corporate Governance Best Practice Principles," the composition of the board should consider diversity. In addition to ensuring that the number of directors who also serve as company managers does not exceed one-third of the total number of directors, the company should formulate appropriate diversity policies based on its operations, business model, and</p>	
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			<p>development needs. These policies should include, but are not limited to, the following two major dimensions:</p> <ol style="list-style-type: none"> 1. Basic conditions and values: gender, age, nationality, and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc. <p>Currently, the Company's Board of Directors consists of 7 members, including 2 directors with employee status, 4 independent directors (whose terms are all under 3 years), and 1</p>	
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			<p>director without employee status. The board covers competencies such as management, industry knowledge, financial accounting, law, and international market perspective, possessing the knowledge, skills, and qualifications required to perform their duties, meeting the core competencies required for corporate governance diversity. The Company has always paid attention to the diversity of the Board members and aims for at least 25% of the board members to have expertise in accounting, finance, or law. Currently, 2 directors have expertise in accounting and financial analysis, making up 28.57%, and 1 director has legal expertise, making up 14.29%. The remaining directors have expertise in</p>	
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			<p>management, industrial engineering, or electrical engineering. The company also focuses on gender equality in the composition of the board and aims to increase the number of directors of different genders to at least one-third (33.33%) of the board. At present, 85.71% (6 members) of the board members are male, and 14.29% (1 member) is female. In the future, the Company will strive to increase the number of directors of different genders to achieve this goal.</p>	
<p>(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?</p>	✓		<p>(II) The Company has established a Remuneration Committee and an Audit Committee in 2021, and a Nomination Committee in 2023.</p>	

<p>(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p>	<p>✓</p>		<p>(III) To implement corporate governance and enhance the functionality of the board of directors, performance goals were established to improve the operational efficiency of the board. On August 9, 2021, the Board Performance Evaluation Guidelines were approved. The internal board performance evaluation is conducted annually, and the board performance evaluation should be carried out by an external professional independent organization or an external team of experts and scholars at least once every three years. The results of both internal and external evaluations should be completed by the end of the first quarter of the</p>	
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			<p>following year. The results of the internal board performance evaluation for 2024 have been reported to the Board on December 19, 2024. In 2024, the Company appointed the Chinese Corporate Governance Association to conduct the external evaluation. The association issued the "Board Performance Evaluation Report" on September 19, 2024. The related suggestions and the company's proposed measures have been reported to the board on November 5, 2024. The results of the internal and external board performance evaluations have been disclosed on the Company's website.</p>	
(IV) Does the Company regularly evaluate its external auditors' independence?	√		(IV) The company's Audit Committee and Board of Directors evaluate the independence and competence of the	

			<p>external auditors annually. In addition to requiring the auditors to provide an "Independence Declaration" and "Audit Quality Indicators (AQIs)," the evaluation is conducted according to the standards in Note 1 and the five major dimensions of the AQI indicators (including 13 specific indicators). After confirming that, apart from the fees related to auditing and tax matters, there are no other financial interests or business relationships with the company, and that the auditor's family members also do not violate independence requirements, the evaluation also considers AQI indicator data. It is confirmed that the auditors and the firm meet the required standards for audit</p>	
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			<p>experience and training hours, which exceed the industry average. Additionally, they have employed digital technologies, expanded audit support centers, and introduced cloud audit platforms to enhance audit quality. The most recent evaluation results were discussed and approved by the Audit Committee on December 19, 2024, and subsequently reported to the Board of Directors for resolution on the same day, affirming the evaluation of the independence and competence of the external auditors.</p>	
<p>IV. Has the TWSE/TPEX listed company allocated an adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?</p>	√		<p>The Company approved the resolution of the Board of Directors on November 11, 2022, and appointed treasurer Lin, Yu-Ting, the financial director, as the director of corporate governance. She is responsible for corporate</p>	<p>No material difference</p>

		governance-related matters, providing directors and functional committees with the information required to perform business, and preparing relevant agendas for the board of directors and shareholders' meetings and minutes, etc., and assist the Board of Directors in strengthening their functions. The head of corporate governance in 2024 has completed further training in accordance with regulations.	
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	√	The Company respects the rights and interests of stakeholders, identifies the Company's stakeholders, understands their reasonable expectations and needs, and appropriately responds to important corporate social responsibility issues of concern. Each department is responsible for communicating with stakeholders and reporting to the Board of Directors on a regular basis. The Company's stakeholders include shareholders and investors, employees, customers, suppliers and governments	No material difference

			and competent authorities. The Company has established a stakeholder area on the Company's website to provide stakeholders with communication methods and channels to handle and respond to important corporate responsibility issues that stakeholders are concerned about.	
VI. Does the Company engage a stock transfer agent to handle shareholder meeting affairs?	√		The Company has appointed a professional share agency, Department of Transfer Agency, Grand Fortune Securities Co., Ltd., to handle shareholders' meetings and stock-related affairs.	No material difference
VII. Information disclosure				
(I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	√		(I) The Company has designated an Investor Zone on the Company's website.	No material difference
(II) Has the Company adopted other means to disclose information (e.g. an English website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, and broadcasting of investor conferences via the company website)?	√		(II) The Company has established a website in both Chinese and English languages and has a spokesperson system. Material information is disclosed on the Market Observation Post	

			System ("MOPS") as required by the law.	
(III) Does the Company publish and officially file annual financial reports within two months after the end of the accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance before the designated due dates?	√		(III) The Company has announced and filed the annual financial statements prior to the specified deadline, and has announced and filed the Q1, Q2 and Q3 financial statements and monthly operating results prior to the specified deadline.	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurement criteria, implementation of customer policy, and liability insurance for directors and supervisors)?	√		<p>1. Employee rights and employee wellness: In addition to establishing an Employee Welfare Committee and implementing a pension system, the Company also provides group insurance for employees, arranges periodic health examinations for employees, and encourages employees to participate in various training courses.</p> <p>2. Investor relations: The Company holds annual shareholders' meetings as required by law and discloses relevant information on the</p>	No material difference

			<p>Market Observation Post System to ensure that shareholders are aware of the Company's major events.</p> <p>3. Supplier relationship: The Company maintains a good relationship with its suppliers and conducts regular supplier evaluations to maintain the quality of its products.</p> <p>4. Stakeholder's Rights: The Company has a dedicated spokesperson and acting spokesperson, as well as a spokesperson's e-mail address to handle related matters, and an attorney to assist in disputes and litigation.</p> <p>5. Directors' and Supervisors' Continuing Education: In 2024, all directors have completed the required continuing education.</p> <p>6. Implementation of risk management policies and risk evaluation standards: All internal control systems and the essential administrative</p>	
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			<p>regulations have been implemented by resolutions of the Board of Directors or the shareholders' meeting. The chief internal auditor attends the Board of Directors' meeting to report on the implementation status of the audits.</p> <p>7. Implementation of customer policy: The Company has dedicated professional staff for customer service and conducts regular surveys on customer satisfaction every year.</p> <p>8. Liability insurance for directors: The Company has purchased liability insurance from South China Insurance Co., Ltd.</p>	
<p>IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.): Not applicable.</p>				

Note 1: Independent and Competence Evaluation Form for the Auditor

i. Auditor Independence Evaluation

Items	Evaluation Results	Is it in compliance with independence?
The auditor or audit team members and their families (including spouses, cohabiting partners, and minor children) have no direct or significant indirect financial interest or relationship with the company.	Yes	Yes
The auditor's firm and its affiliates have no direct or significant indirect financial interest or relationship with the Company.	Yes	Yes
The auditor and their firm, as well as affiliated entities, have not provided non-audit services to the Company that could impair their independence.	Yes	Yes
The auditor or audit team members have not held positions as directors, managers, or other roles that have a significant impact on audit matters within the Company within the past two years.	Yes	Yes
The auditor or audit team members have not promoted or acted as intermediaries for the Company's issued stocks or other securities.	Yes	Yes
The auditor or audit team members have not represented the Company in legal proceedings or other disputes except for services permitted by law.	Yes	Yes
The auditor or audit team members have no familial relationships, such as spouse, direct blood relatives, in-laws, or second-degree relatives, with any directors, managers, or individuals with significant influence over audit matters at the Company.	Yes	Yes
Co-practicing auditors who have left within one year have not held positions as directors, managers, or other roles with significant influence over audit matters at the Company.	Yes	Yes
The auditor or audit team members have not received significant gifts, donations, or special privileges from the company or its directors, managers, or major shareholders.	Yes	Yes
For TWSE/TPEX listed companies: The auditor has not provided audit services for the Company for seven consecutive years.	Yes	Yes
When the auditor conducts financial report audits, reviews, re-examinations, or special project examinations and issues opinions, do they maintain substantial independence?	Yes	Yes
Do audit team members, other co-practicing auditors, shareholders of the accounting firm, affiliated entities, and alliance firms also maintain independence from the Company?	Yes	Yes

Items	Evaluation Results	Is it in compliance with independence?
Does the auditor maintain impartiality and objectivity when performing professional services, avoiding biases, conflicts of interest, or personal interests that could affect their professional judgment?	Yes	Yes

ii. Auditor Competence Evaluation

Items	Evaluation Results	Is it in compliance with competence?
Does the audit firm have a clear quality control procedure? Does it include key audit procedures, methods for handling audit issues and judgments, independence quality control, and risk management?	Yes	Yes
Does the audit firm have sufficient scale and resources to provide auditing services for the Company?	Yes	Yes
Is the audit firm able to promptly notify the Board of Directors (Audit Committee) of any significant deficiencies in the company's risk management, corporate governance, or financial accounting systems?	Yes	Yes
Has the auditor had any disciplinary records in the past two years with the disciplinary committee of the accounting profession?	No	Yes
Has the audit firm been involved in any civil or criminal lawsuits in the past two years?	No	Yes
Does the auditor understand the industry and related risks that the company operates in?	Yes	Yes
Has the auditor or audit team ever audited companies in similar industries, sizes, and risk conditions?	Yes	Yes
Can the auditor clearly explain the audit scope and methods for the company's subsidiaries and affiliates?	Yes	Yes
Can the auditor explain the mechanism used to monitor audit quality?	Yes	Yes

(IV) Composition, duties and operation of the Remuneration Committee:

The Company's Remuneration Committee is composed of 4 independent directors. The Remuneration Committee performs the following duties with due diligence and in good faith, and submits its recommendations to the Board of Directors for discussion:

- a. Establishing and regularly reviewing policies, systems, standards, and structures for the performance evaluation and compensation of directors and managers.
- b. Regularly assessing and determining the compensation of directors and managers.

1. Information on Remuneration Committee Members

Designation	Criteria Name	Professional Qualifications and Experience	Independence Status	Number of positions as independent director in other public companies
Independent Director	Wu, Tsung-Chang	Please see "Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors" on pages 7-9 of the Annual Report.		1
Independent Director	Liu, Shuai-Lei			None
Independent Director	Lai, Chao-Sung			None
Independent Director	Lee, Ya-Hsun			None

2. Operation of the Remuneration Committee:

- (1) The Company's remuneration committee has a total of 4 members.
- (2) The term of the current members is from June 27, 2024 to May 14, 2027. The number of remuneration committee meetings held in 2024 was 7. The attendance by the members was as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendances	In-person attendance rate (%)	Remarks
Convener and Chair	Lai, Chao-Sung	5	0	100%	Resigned on July 31, 2024 Appointed on October 18, 2024
Committee member	Liu, Shuai-Lei	7	0	100%	From August 1, 2024 to October 17, 2024, served as the convener and chair.
Committee member	Wu, Tsung-Chang	7	0	100%	None
Committee member	Lee, Ya-Hsun	5	0	100%	Appointed on May 13, 2021
<p>Other mandatory disclosures:</p> <p>I. Scope of the Remuneration Committee's Power: In order to improve corporate governance and strengthen the functions of the Board of Directors, the Remuneration Committee assists the Board of Directors in implementing and evaluating the Company's overall remuneration and benefit policies, as well as the remuneration for managers.</p> <p>II. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.</p> <p>III. Should any committee member object or express reservations to the resolution made by the Remuneration Committee, whether on-record or in writing, please state the date and session of the meeting, details of the motion, the opinions of all members, and how their opinions were addressed: None.</p> <p>IV. The discussion items and resolutions of the Remuneration Committee, and the measures taken by the Company with respect to the members' opinion are summarized in the table below:</p>					

Remuneration Committee Date Session No.	Motion	Outcome of resolution	Outcome of the resolution(s) of the board of directors
January 30, 2024 14th meeting of the 1st term	Proposal for the regular evaluation of the salary and compensation of the Company's managers.	All members passed the motion unanimously.	All members passed the motion unanimously.
	Proposal for the regular evaluation of the salary and compensation of the Company's directors.	All members passed the motion unanimously.	All members passed the motion unanimously.
	Proposal for the 2023 year-end bonus for managers of the Company.	All members passed the motion unanimously.	All members passed the motion unanimously.
February 22, 2024 15th meeting of the 1st term	Approved the Company's 2023 employee and director compensation allocation.	All members passed the motion unanimously.	All members passed the motion unanimously.
June 27, 2024 1st meeting of the 2nd term	Proposal for the distribution proposal of remuneration to directors of the Company for 2023.	All members passed the motion unanimously.	All members passed the motion unanimously.
	Proposal for the revision of the "Board of Directors' Compensation Distribution Procedures."	All members passed the motion unanimously.	All members passed the motion unanimously.
	Proposal for the appointment of the Chief Strategy Officer for the Company.	All members passed the motion unanimously.	All members passed the motion unanimously.

		Proposal for the personnel change of the Company's General Manager.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the personnel change of the Company's Chief Information Security Officer.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the pension proposal for Director Chen Wen-Sheng, who concurrently serves as the General Manager.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the salary adjustment proposal for the Company's managers for the year 2024.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the Company handled the employee stock trust and the manager's participation in the employee stock trust contribution bonus plan.	All members passed the motion unanimously.	All members passed the motion unanimously.	
	August 9, 2024 2nd meeting of the 2nd term	Proposal for the distribution of remuneration to managers and directors who concurrently serve as employees of the Company for the year 2023.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the distribution of performance bonuses to managers and directors who concurrently serve as employees of the Company for the first half of 2024.	All members passed the motion unanimously.	All members passed the motion unanimously.	
	September 19, 2024 3rd meeting of the 2nd term	Proposal for formulation of the 2024 cash capital increase employee stock subscription plan.	All members passed the motion unanimously.	All members passed the motion unanimously.	

	November 5, 2024 4th meeting of the 2nd term	Proposal for the revision of the executive compensation and benefits policy.	All members passed the motion unanimously.	All members passed the motion unanimously.	
	December 19, 2024 5th meeting of the 2nd term	Proposal for the regular evaluation of the salary and compensation of the Company's managers.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the regular evaluation of the salary and compensation of the Company's directors.	All members passed the motion unanimously.	All members passed the motion unanimously.	
		Proposal for the 2024 cash capital increase, with participation from the manager and directors with employee status in the allocation of employee stock options.	All members passed the motion unanimously.	All members passed the motion unanimously.	

(V) Information on the members of the Nomination Committee and information on its operations

1. Qualifications and responsibilities for appointment of members of the Nomination Committee

The Company consists of 4 independent directors who make up the Nomination Committee. For their professional qualifications and experience, please refer to “Directors’ Professional Knowledge and Independent Directors’ Independence Information Disclosure” on pages 7-9. The operation of the Nomination Committee is in accordance with the Company's "Organizational Rules of the Nomination Committee" and relevant laws and regulations. The Committee meets at least once a year and may hold meetings at any time as necessary. It is responsible for formulating the professional knowledge and skills required by Board members and senior managers, experience, gender and other diversified backgrounds and independence standards, and use them to find, review and nominate candidates for directors and senior managers; construct and develop the organizational structure of the board of directors and committees, and carry out the management of the board of directors, committees, and various committees. Evaluate the performance of directors and senior managers, and evaluate the independence of independent directors; formulate and regularly review director training plans and succession plans for directors and senior managers; formulate the Company's corporate governance code of practice.

2. Professional qualifications and experience of the members of the Nomination Committee and their operations:

(1) The Company’s nomination committee has a total of 4 members.

(2) The term of the current members is from June 27, 2024 to May 14, 2027. The number of remuneration committee meetings held in 2024 was 3. The attendance by the members was as follows:

Title	Name	Professional Qualifications and Experience	No. of meetings attended in person	Number of proxy attendances	In-person attendance rate (%)	Remarks
Convener and Chair	Liu, Shuai-Lei	Please see "Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors" on pages 7-9 of the Annual Report.	3	0	100%	None
Committee member	Lai, Chao-Sung		2	0	100%	Resigned on July 31, 2024 Appointed on October 18,

						2024
Committee member	Wu, Tsung-Chang		3	0	100%	None
Committee member	Lee, Ya-Hsun		2	0	100%	Appointed on June 27, 2024

Other mandatory disclosures:

Describe the meeting date, period, content of the major proposals of the Nomination Committee, the contents of the suggestions or objections of the Nomination Committee members, the resolution results of the Nomination Committee, and the Company's handling of the Nomination Committee's opinions.

Nomination Committee Date Session No.	Motion	Outcome of resolution	Outcome of the resolution(s) of the board of directors
March 28, 2024 2nd meeting of the 1st term	Proposal for nomination of director candidates list.	All members passed the motion unanimously.	All members passed the motion unanimously.
September 19, 2024 1st meeting of the 2nd term	Proposal for nomination of independent director candidates list.	All members passed the motion unanimously.	All members passed the motion unanimously.
December 19, 2024 2nd meeting of the 2nd term	Proposal for the performance evaluation of members of the Board of Directors and members of the Functional Committee in 2024.	All members passed the motion unanimously.	All members passed the motion unanimously.
	Proposal for the formulation of "2025 Director Continuing Education Course Plan".	All members passed the motion unanimously.	All members passed the motion unanimously.

(VI) Status of sustainable development promotion and deviations and causes of deviations from the Sustainable Development Best Practice

Principles for TWSE/TPEX Listed Companies:

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		On November 11, 2022, the Board of Directors of the Company approved the amendments of the Sustainable Development Best Practice Principles in December 2022, the Company established the Corporate Sustainability Promotion Team to implement CSR-related initiatives, with the General Manager as convener, and the GM Office in charge of the secretarial duties. There are six working groups namely, Corporate Governance, Social Welfare, Environmental Sustainability, Customer and Employee Care, and Information Security to implement the sustainable development initiatives. The General Manager is responsible for approving the sustainable development strategy and overseeing the subsequent implementation. Each group formulates and implements strategies to address sustainability issues that are relevant to the Company's operations and stakeholders, and prepares a	No material difference

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description (Note 2)	
			sustainability implementation report based on the implementation status. At least once a year, the Board of Directors receives a report from the General Manager's Office regarding the implementation of sustainable development and urges the management team to make adjustments where necessary.	
II. Has the Company conducted risk assessment on environmental, social, and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on the principle of materiality? (Note2)	√		The Company has established the Sustainable Development Best Practice Principles in 2021. In addition, the Company's daily operations fulfill its social responsibilities, including corporate governance, compliance with laws and regulations, and providing a good working environment and reasonable compensation and benefits to its employees.	No material difference
III. Environmental issues (I) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?	√		(I) We are an ISO14001 (The certification validity period is from June 21, 2022, to June 20, 2025) certified company and have established an appropriate environmental management system based on the characteristics of our	No material difference

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
			industry. The Company continuously evaluates its environmental performance every year and formulates improvement plans to achieve continuous improvement. Through the above process, the Company is able to systematically reduce environmental risks and implement the environmental management system.	
(II) Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		(II) The company is primarily engaged in the design, research and development, assembly, and sales of equipment. We plan to gradually replace old electrical equipment with high-efficiency energy-saving appliances after moving to the new factory. For general consumables, we use recycled manufacturing products (such as recycled hand towels, energy-saving chillers, and other energy-saving equipment).	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
(III) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	✓		(III) The Company first identifies and assesses the impact that climate change may have on its business, supply chain, production methods and market demand. This includes direct risks, such as the impact of natural disasters (floods, droughts, storms, etc.) on production facilities, as well as indirect risks, such as the impact of changes in government climate policies on costs and product prices. It has been assessed that climate change poses no potential risks to the Company.	
(IV) Does the Company maintain statistics on greenhouse gas emissions, water usage, and total waste volume in the last two years, and implement policies aimed at reducing greenhouse gases, water and other waste?		✓	(IV) The explanation is as follows: <u>Greenhouse Gas Emissions</u> The Company conducted its first greenhouse gas inventory in 2024, and the results are as follows:	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies															
	Yes	No	Summary description (Note 2)																
			<table><tr><td>Year</td><td colspan="2">2024</td></tr><tr><td>Items</td><td>Emission volume (metric tons of CO2e)</td><td>Density (metric tons of CO2e / revenue of NT\$ million)</td></tr><tr><td>Scope 1</td><td>678.9315</td><td rowspan="3"></td></tr><tr><td>Scope 2</td><td>80.0270</td></tr><tr><td>Scope 3</td><td>105.9671</td></tr><tr><td>Total</td><td>864.9260</td><td>1.9009</td></tr></table> <p>The verification of the Company's greenhouse gas inventory will be implemented in 2026, and the reduction policy will be established in 2027.</p> <p><u>Water resource management</u> Starting with everyday practices, such as water-saving toilets, installing water-saving devices, sensor-operated urinals, and other water conservation measures...etc. After relocating to the new factory in the fourth quarter of 2025, the</p>	Year	2024		Items	Emission volume (metric tons of CO2e)	Density (metric tons of CO2e / revenue of NT\$ million)	Scope 1	678.9315		Scope 2	80.0270	Scope 3	105.9671	Total	864.9260	1.9009
Year	2024																		
Items	Emission volume (metric tons of CO2e)	Density (metric tons of CO2e / revenue of NT\$ million)																	
Scope 1	678.9315																		
Scope 2	80.0270																		
Scope 3	105.9671																		
Total	864.9260	1.9009																	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>water-saving equipment will be fully updated.</p> <p><u>Waste Management</u> Currently, all waste generated by the Company is general everyday waste, and there is no hazardous waste. In 2024, the total amount of general everyday waste was 6.72 tons, which was handled by a professional and qualified waste disposal company for incineration. After moving to the new factory in the fourth quarter of 2025, we will re-evaluate and re-calculate the waste generation.</p>	
IV. Social issues				
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company has formulated relevant rules and regulations to protect employees' legitimate rights and interests based on the Labor Standards Act and related labor laws and regulations.	No material difference
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other	✓		(II) The Company has established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
benefits), and are business performance or results appropriately reflected in employee salary/compensation?			benefits), and the business performance or results are appropriately reflected in employee salary/compensation.	
(III) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		(III) We organize labor safety campaigns for our employees from time to time. When influenza and COVID-19 were in season, we advised employees to wear face masks, and provided disinfectant and thermometers at the entrance/exit of the gate.	
(IV) Has the Company implemented an effective training program that helps employees develop skills over their career?	✓		(IV) The Company arranges on-the-job training from time to time according to the needs of the employees and their jobs.	
(V) Has the Company complied with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implemented consumer protection policies and complaint procedures?	✓		(V) The Company is committed to ensuring that our products and services meet the relevant regulations and customer specifications throughout their entire life cycle, in order to fulfill our corporate social responsibility. <ul style="list-style-type: none"> ● Product and Service In terms of customer service, the Company has established a "Customer Service Management Procedure" to 	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>provide services such as equipment installation and maintenance. We record service details through the "Customer Maintenance Service Form" to ensure service quality.</p> <p>If a customer's equipment malfunctions, the Company will quickly dispatch personnel for handling according to the "Customer Service Management Procedure."</p> <ul style="list-style-type: none"> ● Customer Privacy <p>We respect customer privacy and are dedicated to protecting customer personal data. Although the document does not directly mention the "Personal Data Protection Management System," the Company emphasizes proper management of customer property in the "Customer or External Provider Property Management Procedure," which also includes the protection of customer information.</p>	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>The Company will properly store customer data in accordance with the "Document and Data Management Procedure" and ensure that only authorized personnel have access.</p> <p>When signing contracts with customers, the Company will review the contract content based on the "Contract Review Management Procedure" to ensure compliance with relevant regulations and protect customer interests.</p> <p>In the future, the Company will establish a more comprehensive personal data protection policy.</p> <ul style="list-style-type: none"> ● Customer Complaint Handling <p>The Company has set up a technical service department as a feedback channel between the customer and the Company.</p> <p>When feedback is provided by the customer regarding product or service usage, if there are any issues or dissatisfaction, the</p>	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>customer can submit a complaint. The Company will handle the complaint according to the "Customer Service Management Procedure."</p> <p>If the complaint concerns product quality, the Company will investigate and analyze the issue and propose improvement measures.</p> <p>If the complaint involves service issues, the Company will review the service process according to the "Customer Service Management Procedure," make improvements, and continue to enhance product and service quality.</p> <p>To ensure customer satisfaction, the Company has established a "Customer Satisfaction Management Procedure," where we use surveys and other methods to understand customer needs and expectations, and</p>	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
			make improvements accordingly.	
(VI) Has the Company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health, or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	✓		<p>(VI) The Company has established the "Supplier Code of Conduct and Corporate Responsibility Commitment" to set selection criteria for suppliers that promote environmental protection, human rights, safety, health, and sustainable development. It also outlines our expectations and requirements for suppliers regarding environmental, health, and safety risks, prohibition of child labor, labor management, protection of basic labor rights, ethical standards, and integrity in business operations.</p> <p><u>Supplier evaluation</u></p> <ul style="list-style-type: none"> ● Suppliers are periodically evaluated and must comply with the Supplier Code of Conduct. ● Suppliers are required to provide proof of their establishment, such as company registration, business 	

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>registration certificate, establishment or business license, factory registration certificate, etc.</p> <p><u>Suppliers sign the "Supplier Code of Conduct and Corporate Responsibility Commitment."</u></p> <ul style="list-style-type: none"> ● To ensure the implementation of the policy, suppliers sign the "Supplier Code of Conduct and Corporate Responsibility Commitment." This code clearly stipulates that suppliers must comply with relevant laws and standards regarding environmental awareness, business ethics, and supplier management. 	
V. Does the Company prepare sustainable development reports or any reports of non-financial information based on international reporting standards or guidelines? Does the company obtain third party assurance or certification for the reports above?		√	The Company has not yet prepared a corporate social responsibility report that discloses the Company's non-financial information. In the future, the Company will prepare a report based on the actual needs of the Company and requirements of laws and regulations.	The Company will prepare a report in respond with the requirements of laws and regulations.

Assessment criteria	Implementation status (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
VI. If the Company has adopted its own sustainable development best-practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations: The Company has prescribed the "Sustainable Development Best Practice Principles" in 2021. In order to fulfill the corporate commitment to the society, employees and shareholders, the Company has actively implemented information disclosure and transparency.				
VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development: None.				

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation.
If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons" column and explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Climate-Related Information of TWSE/TPEX Listed Company

Implementation of Climate-Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>On November 11, 2022, the Board of Directors of the Company approved the amendments of the Sustainable Development Best Practice Principles and in December 2022, the Company established the Corporate Sustainability Promotion Team to implement CSR-related initiatives, with the General Manager as convener, and the GM Office in charge of the secretarial duties. There are six working groups namely, Corporate Governance, Social Welfare, Environmental Sustainability, Customer and Employee Care, and Information Security to implement the sustainable development initiatives. The General Manager is responsible for approving the sustainable development strategy and overseeing the subsequent implementation. Each group formulates and implements strategies to address sustainability issues that are relevant to the Company's operations and stakeholders, and prepares a sustainability implementation report based on the implementation status. At least once a year, the Board of Directors receives a report from the General Manager's Office regarding the implementation of sustainable development and urges the management team to make adjustments where necessary.</p> <p>On February 22, 2024, the Company approved a plan for greenhouse gas inventory and verification schedule through the board of directors. Subsequently, in accordance with regulatory guidelines and relevant provisions, the Company will continue to monitor the progress of greenhouse gas inventory, verification, and disclosure, and report the execution progress to the board of directors on a quarterly basis.</p>

Item	Implementation status
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company first identifies and assesses the impact that climate change may have on its business, supply chain, production methods and market demand. This includes direct risks, such as the impact of natural disasters (floods, droughts, storms, etc.) on production facilities, as well as indirect risks, such as the impact of changes in government climate policies on costs and product prices. It has been assessed that climate change poses no potential risks to the Company.
3. Describe the financial impact of extreme weather events and transformative actions.	The assessment indicates that extreme weather events and transition actions have had no immediate financial impact on the Company.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has not yet completed the integration of the process for identifying, assessing, and managing climate risks. Relevant details will be disclosed upon completion.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet utilized scenario analysis to assess resilience to climate change risks, thus it is not applicable.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has not yet completed its transition plan for addressing and managing climate-related risks. Relevant details will be disclosed upon completion.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company has not yet employed internal carbon pricing as a planning tool, thus it is not applicable.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	According to the " Sustainable Development Roadmap" released by the Financial Supervisory Commission in March 2022, the Company, as a category with a paid-in capital of less than NT\$ 5 billion, should apply greenhouse gas inventory and verification in the third phase (i.e., completing inventory in 2026 and verification in 2028). Subsequently, we will follow the regulatory guidelines and relevant provisions to carry out greenhouse gas inventory and verification operations.

Item	Implementation status
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	According to the " Sustainable Development Roadmap" released by the Financial Supervisory Commission in March 2022, the Company, as a category with a paid-in capital of less than NT\$ 5 billion, should apply greenhouse gas inventory and verification in the third phase (i.e., completing inventory in 2026 and verification in 2028). Subsequently, we will follow the regulatory guidelines and relevant provisions to carry out greenhouse gas inventory and verification operations.

(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Assessment criteria	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Establishment of integrity policies and solutions				
(I) Has the Company established a set of board-approved business integrity policies, and stated the policies and practices it implements to maintain business integrity in its Articles of Incorporation or external correspondence? Are the board of directors and the senior management committed to fulfilling this commitment?	✓		(I) The Company has prescribed Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct in 2021.	No material difference
(II) Has the Company developed systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conduct that include at least the measures mentioned in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		(II) The Company has established "Operating Procedures and Behavioral Guidelines for Integrity Management", which strictly prohibits managers and all employees from accepting bribes and engaging in any illegal behavior, and will penalize them according to the actual situation if they violate the law.	
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties, and grievance systems as part of its preventive measures against dishonest conduct?	✓		(III) The Company has established "Employee Work Rules", which specifically regulates the matters that should be noted by the Company's employees when performing their duties. The Company has also established guidelines for	

Assessment criteria	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
Are the above measures reviewed and revised on a regular basis?			employee reward and punishment. Employees who engage in unethical conduct will be penalized, and there is a reporting channel for any suspected fraud or malpractice.	
II. Enforcement of business integrity				
(I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) The Company conducts credit checks on counterparties in accordance with internal control procedures before engaging in transactions with them and finds out through various channels whether counter-parties have engaged in any fraudulent transactions.	No material difference
(II) Does the Company have a unit directly under the board of directors that enforces business integrity? Does this unit report its progress regarding the implementation of the business integrity policy and prevention against dishonest conduct to the board of directors on a regular basis (at least once a year)	✓		(II) The company designates the General Manager's Office as the dedicated unit responsible for integrity management operations and supervision. The office reports on the implementation status to the Board of Directors at least once a year.	
(III) Does the Company have any policy that prevents conflicts of interests, and channels that facilitate the reporting of conflicts of interests?	✓		(III) The Company has established procedures for managing the operations of the Board of Directors, and has set forth the rules related to the recusal of directors' interests. The Company has also provided a comment email so that the employees' opinions can be conveyed to the management.	

Assessment criteria	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Has the Company implemented effective accounting policies and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?	✓		(IV) The Company has established effective accounting policies and internal control system to implement ethical corporate management. Internal auditors conduct audit to ensure the compliance of the system based on the audit plan.	
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		(V) Through different channels, the Company educates its employees and makes them clearly understand the Company's ethical corporate management concepts and rules.	
III. Functioning of the Company's whistleblowing system				No material difference
(I) Does the Company provide incentives and means for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconduct?	✓		(I) The Company has a whistleblowing channel for reporting suspicious fraud or misconduct, and the Audit Office is responsible for handling such reports. The Company has established a reporting channel for suspected fraud or misconduct, which is handled by the Audit Department. The Chairman of the Audit Committee also receives the reports. In case of any irregularities, a special audit will be initiated, and the results will be reported to the Board of Directors.	
(II) Has the Company implemented any standard procedures for handling reported misconduct,	✓		(II) The Company has provided a whistleblowing channel in the Employee Work Rules.	

Assessment criteria	Implementation status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?				
(III) Does the Company have appropriate measures in place to protect whistleblowers from retaliation?	✓		(III) The Company has appropriate measures in place to protect whistleblowers from retaliation when receiving the report.	
IV. Enhanced information disclosure Has the Company disclosed its integrity principles and progress on its website and MOPS?	✓		The Company disclosed the information on ethical corporate management in its annual report and website.	No material difference
V. If the company has adopted its own ethical corporate management best-practice principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company has prescribed Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct in 2021, and there are no material differences in the operations at present.				
VI. Other information relevant to understanding business integrity within the Company (e.g. review of business integrity principles amended by the Company): The Company always pays attention to the domestic and foreign ethical corporate management principles, conducts a review of the Company's rules and regulations, and urges all employees to comply with them.				

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Please visit the Company's website <http://www.synpower.com.tw/> and the Market Observation Post System <http://mops.twse.com.tw>

(IX) The implementation status of the internal control system should disclose the following matters

1. Statement of the Internal Control System:

Please visit the Market Observation Post System

<https://mops.twse.com.tw/mops/#/web/t146sb10>

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Material resolutions of a shareholders meeting and the implementation status:

Date	Major resolutions	Execution progress
May 15, 2024 (Annual shareholder's meeting)	To ratify the 2023 business report and financial statements.	Announcement is made in accordance with the content of the resolution.
	To ratify the Company's 2023 earnings appropriation	Done according to the contents of the resolution.
	Approval of the comprehensive re-election of the company's board of directors.	Announcement is made in accordance with the content of the resolution.
	Approval of the removal of the non-compete restrictions for the newly appointed directors and their representatives.	Announcement is made in accordance with the content of the resolution.
October 18, 2024 (Extraordinary shareholder's meeting)	Approval of the supplementary election of an independent director.	Announcement is made in accordance with the content of the resolution.

2. Material resolutions of board meeting:

Date	Major resolutions
January 30, 2024	<ol style="list-style-type: none"> Approval of the regular evaluation of the salary and compensation of the Company's managers. Approval of the regular evaluation of the salary and compensation of the Company's directors. Approval of the 2023 year-end bonus for managers of the Company.
February 22, 2024	<ol style="list-style-type: none"> Approval of the Company's 2023 employee and director compensation allocation. Approval of the Company's financial statements and business report for the year 2023. Approval of the Company's 2023 earnings distribution. Approval of the Company's cash dividend distribution from 2023 earnings. Approval of the comprehensive re-election of the company's board of directors. Approval of the date, time, venue and reason for convening the 2024 Annual General Shareholders' Meeting of the Company. Approval of the date and place for accepting proposals and a candidate list for directors from shareholders for the 2024 Annual General Shareholders' Meeting.

Date	Major resolutions
	<ol style="list-style-type: none"> 8. Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature. 9. Approval of the revision of the "Audit Committee Organization Rules." 10. Approval of the revision of the "Board of Directors Meeting Operations and Management Procedures." 11. Approval of the establishment of the Company's "Pre-approval Review Procedures for Non-Assurance Services Provided by Certified Public Accountants." 12. Approval of the formulation of the Company's "Greenhouse Gas Inventory and Verification Schedule Plan". 13. Approval of the Company's 2023 internal control system effectiveness assessment and internal control system statement.
March 28, 2024	<ol style="list-style-type: none"> 1. Approval of nomination of director candidates list. 2. Approval of the proposal of lifting the non-competition restrictions on the company's new directors and their representatives. 3. Approval of the revision of the "Customer Credit Management Procedures."
May 9, 2024	<ol style="list-style-type: none"> 1. Approval of the review of the financial report for the first quarter of 2024. 2. Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature. 3. Approval of the outsourcing of the air-conditioning system project for the Company's Xinsheng Road factory. 4. Approval of the investment plan for the establishment of a subsidiary. 5. Approval of the revision of the "Recruitment and Selection Operations Management Procedures." 6. Approval of the appointment fees for the certified public accountant for the year 2024. 7. Approval of the application to provide a guarantee and endorsement for the subsidiary and to renew the credit limit application with Mega Bank. 8. Approval of the application for a commercial promissory note guarantee credit limit with Dah Chung Bills Finance Corporation." 9. Approval of the renewal application for a commercial promissory note guarantee credit limit with the corresponded bills finance company. 10. Approval of the application for the annual renewal and extension of the credit limit with the corresponding bank.
May 15, 2024	Approval of the election of chairman.
June 27, 2024	<ol style="list-style-type: none"> 1. Approval of the appointment of the audit committee members. 2. Approval of the appointment of the remuneration committee members. 3. Approval of the appointment of the nomination committee members.
June 27, 2024	<ol style="list-style-type: none"> 1. Approval of the distribution proposal of remuneration to directors of the Company for 2023. 2. Approval of the revision of the "Board of Directors' Compensation Distribution Procedures." 3. Approval of the appointment of the Chief Strategy Officer for the Company. 4. Approval of the personnel change of the Company's General Manager. 5. Approval of the personnel change of the Company's Chief Information Security Officer. 6. Approval of the pension proposal for Director Chen Wen-Sheng, who concurrently serves as the General Manager. 7. Approval of the salary adjustment proposal for the Company's managers for the year 2024. 8. Approval of the Company handled the employee stock trust and the manager's participation in the employee stock trust contribution bonus

Date	Major resolutions
	<p>plan.</p> <ol style="list-style-type: none"> Approval of the application for providing a guarantee and endorsement for the subsidiary and applying for a credit limit with Taishin Bank. Approval of the application to provide a guarantee and endorsement for the subsidiary and to renew the credit limit application with corresponding bank. Approval of the application for a credit facility with Taishin Bank. Approval of the application for a medium-term credit facility and the annual extension of the original credit facility with CTBC Bank, in accordance with the Ministry of Economic Affairs' "Welcome Taiwanese Businessmen to Invest in Taiwan Action Plan" and the Taiwanese Business Qualification Approval Letter. Approval of the application for a medium-term credit facility and the annual extension of the original credit facility with Taipei Fubon Bank, in accordance with the Ministry of Economic Affairs' "Welcome Taiwanese Businessmen to Invest in Taiwan Action Plan" and the Taiwanese Business Qualification Approval Letter.
August 9, 2024	<ol style="list-style-type: none"> Approval of the review of the financial report for the second quarter of 2024. Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature. Approval of the distribution of remuneration to managers and directors who concurrently serve as employees of the Company for the year 2023. Approval of the distribution of performance bonuses to managers and directors who concurrently serve as employees of the Company for the first half of 2024. Approval of the supplementary election of an independent director. Approval of the date, time, location, and agenda for the Company's first 2024 Extraordinary Shareholders' Meeting. Approval of the period and location for shareholders to submit nominations for director candidates for the first 2024 Extraordinary Shareholders' Meeting.
September 19, 2024	<ol style="list-style-type: none"> Approval of nomination of director candidates list. Approval of the Company's 2024 cash capital increase and issuance of new shares. Approval of formulation of the 2024 cash capital increase employee stock subscription plan. Approval of the establishment of an information security policy. Approval of the establishment of an information security incident response and reporting procedure. Approval of the Company's investment in establishing a subsidiary in Thailand. Approval of the application for a credit facility with Yuanta Bank.
October 18, 2024	<ol style="list-style-type: none"> Approval of the appointment of the audit committee members. Approval of the appointment of the remuneration committee members. Approval of the appointment of the nomination committee members. Approval of the signing of an industry-academia cooperation and academic feedback mechanism agreement with National Yang Ming Chiao Tung University.
November 5, 2024	<ol style="list-style-type: none"> Approval of the review of the financial report for the third quarter of 2024. Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature. Approval of the revision of the executive compensation and benefits policy.

Date	Major resolutions
	4. Approval of the application for the renewal of the credit facility with Shin Kong Bank.
December 19, 2024	<ol style="list-style-type: none"> 1. Approval of the amendments to the Company's 2025 internal audit plan. 2. Approval of the budget for the 2025 fiscal year. 3. Approval of the evaluation of the independence and suitability of the certified public accountants of the Company. 4. Approval of the performance evaluation of members of the Board of Directors and members of the Functional Committee in 2024. 5. Approval of the regular evaluation of the salary and compensation of the Company's directors. 6. Approval of the regular evaluation of the salary and compensation of the Company's managers. 7. Approval of the formulation of "2025 Director Continuing Education Course Plan". 8. Approval of establishing risk management policies and procedures. 9. Approval of establishing sustainable information management measures. 10. Approval of the regular evaluation of the salary and compensation of the Company's managers.
January 21, 2025	<ol style="list-style-type: none"> 1. Approval of the year-end bonus distribution for the Company's managers, directors serving as employees, and internal audit officer for the 2024 fiscal year. 2. Approval of the subcontracting of additional electromechanical engineering works for the Company's Xinsheng Road factory.
February 17, 2025	<ol style="list-style-type: none"> 1. Approval of the Company's 2024 employee and director compensation allocation. 2. Approval of the Company's financial statements and business report for the year 2024. 3. Approval of the Company's 2024 earnings distribution. 4. Approval of the Company's cash dividend distribution from 2024 earnings. 5. Approval of amendment to the "Articles of Incorporation". 6. Approval of the date, time, venue and reason for convening the 2025 Annual General Shareholders' Meeting of the Company. 7. Approval of the qualified accounts receivable and amounts other than accounts receivable do not constitute a loan in nature. 8. Approval of the amendment to the "Corporate Governance Best Practice Principles." 9. Approval of the Company's 2024 internal control system effectiveness assessment and internal control system statement. 10. Approval of the Company's participation in the joint venture investment to establish TSS II Holding Ltd. 11. Approval of the application for a medium-term credit facility with Taishin Bank. 12. Approval of the application for endorsement guarantees for the subsidiary and the renewal of the credit facility with Mega International Commercial Bank. 13. Approval of the application for the renewal of the credit facility with CTBC Bank. 14. Approval of the regular evaluation of the salary and compensation of the Company's managers.

(XI) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has

expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on CPA professional fees:

Unit: NT\$ thousands

Name of accounting firm	Name of CPA	Auditor's audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Shih, Chin-Chuan	January 1, 2024 to December 31, 2024	3,150	330	3,480	Non-audit fees include NT\$190 thousand for tax certification, NT\$100 thousand for English translation of Chinese financial reports and NT\$40 thousand for other services.
	Liu, Shu-Lin					

- (I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not applicable.
- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not applicable.

V. Information on replacement of CPA: None.

VI. Any of the Company's Directors, General Manager, or Manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firms: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

- (I) Change of shareholding of directors, supervisors, managers, and major shareholders:

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(II) The counterparty of a transfer of shareholding is a related party:

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, manager, and major shareholders	No. of shares	Transaction price
Hsu, Hung-Yueh	Gift	November 29, 2024	Hsu, Pin-Chen	Children	28,000	78.20

(III) The counterparty of a pledge of shareholding is a related party: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

March 9, 2025; Unit: share; %

Name	Shareholder's Shareholding		Shares held by spouse and underage children		Total shares held in the names of others		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	Name	Relation	
Chi Bin Industrial Co., Ltd.	5,169,021	14.21	-	-	-	-	Lin, Win-Bin	Responsible Person	
Representative: Lin, Win-Bin	2,250,337	6.19	179,479	0.49	6,485,020	17.83			
Symtek Automation Asia Co., Ltd.	2,916,398	8.02	-	-	-	-	-	-	
Representative: Wang, Nien-Ching	-	-	-	-	-	-	-	-	
Lin, Win-Bin	2,250,337	6.19	179,479	0.49	6,485,020	17.83	Chi Bin Industrial Co., Ltd.	Responsible Person	
Kao Mei Industrial Co., Ltd.	2,124,729	5.84	-	-	-	-	-	-	
Representative: Chen, Le-Kao	-	-	-	-	-	-	-	-	
Zhen Ding Technology Holding Limited	1,637,273	4.50	-	-	-	-	-	-	
Representative: Shen, Ching-Fang	-	-	-	-	-	-	-	-	
Yin Bao Industrial Co., Ltd.	1,315,999	3.62	-	-	-	-	-	-	
Representative: Lin, Yu-Cheng	90,936	0.25	-	-	-	-	-	-	
Chen, En	744,965	2.05	-	-	-	-	-	-	
Chen, Wen-Sheng	726,625	2.00	-	-	-	-	-	-	
Gudeng Venture Capital Co., Ltd.	500,000	1.37	-	-	-	-	-	-	
Representative: Lin, Tien-Rui	-	-	-	-	-	-	-	-	
Chen, Shih-Hsiang	418,020	1.15	-	-	-	-	-	-	

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

March 9, 2025; Unit: share

Business investment	Held by the Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate ownership	
	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage
HK Synpower Ltd. (Note 1)	3,630,000	100%	-	-	3,630,000	100%
SynPower Co., Ltd. Dongguan (Note 1)	Note 2	100%	-	-	Note 2	100%
SynPower Co., Ltd. (Kunshan) (Note 1)	Note 2	100%	-	-	Note 2	100%
SynPower Co., Ltd. (Note 1)	50,000	100%	-	-	50,000	100%
SynTop Co., Ltd. (Note 1)	2,479,500	76.76%	-	-	2,479,500	76.76%
Syndia India Private Limited (Note 1)	Note 2	100%			Note 2	100%
Chipboard Technology Corporation. (Note 1)	4,371,502	51%	-	-	4,371,502	51%
Jiangsu SLK High-Tech Co., Ltd. (Note 3)	Note 2	20%	-	-	Note 2	20%
Synthai Technology (Thailand) Company Limited (Note 1)	250,000	100%	-	-	250,000	100%

Note 1: For subsidiaries accounted for under the equity method, the investment gains from reinvestment companies, long-term share investments of investment companies, and the net value of investees' equity are eliminated when preparing the consolidated financial statements.

Note 2: Overseas investee is a limited liability company, and no shares were issued.

Note 3: Reinvestment in Mainland China through reinvesting in an existing company in a third country or reinvesting in a Mainland China through investing in a company established in a third country.

Three. Capital Overview

I. Capital and shares

(I) Source of share capital :

1. Formation of share capital

Unit: NT\$ thousand; thousand shares

Month/year	Issued price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		No. of shares (thousand shares)	Amount (NT\$ thousand)	No. of shares (thousand shares)	Amount (NT\$ thousand)	Source of capital	Paid in properties other than cash	Others
2002, April	10	500	5,000	500	5,000	Establishment	None	Note 1
2003, March	10	1,000	10,000	1,000	10,000	Cash capital increase of NT\$5,000 thousand	None	Note 2
2007, October	10	2,000	20,000	2,000	20,000	Cash capital increase of NT\$10,000 thousand.	None	Note 3
2014, September	10	36,000	360,000	12,000	120,000	Cash capital increase of NT\$100,000 thousand.	None	Note 4
2015, April	25	36,000	360,000	17,000	170,000	Cash capital increase of NT\$50,000 thousand.	None	Note 5
2015, November	55	36,000	360,000	22,000	220,000	Cash capital increase of NT\$50,000 thousand.	None	Note 6
2015, December	55	36,000	360,000	24,400	244,000	Cash capital increase of NT\$24,000 thousand.	None	Note 7
2021, July	10	60,000	600,000	27,100	271,000	Share exchange of NT\$27,000 thousand	None	Note 8
2021, September	10	60,000	600,000	30,028	300,280	Capitalization of retained earnings of NT\$4,880 thousand Capitalization of capital surplus of NT\$24,400 thousand	None	Note 9
2023, November	28	60,000	600,000	32,870	328,700	Cash capital increase of NT\$28,420 thousand.	None	Note 10
2025, March	60	60,000	600,000	36,370	363,700	Cash capital increase of NT\$35,000 thousand.	None	Note 11

Note 1: Approved by Letter Jin-Shou-Chung-Zi No. 09132047590 on April 29, 2002

Note 2: Approved by Letter Jin-Shou-Chung-Zi No. 09231829340 on March 27, 2003.

Note 3: Approved by Letter Jin-Shou-Chung-Zi No. 09632852650 on October 4, 2007.

Note 4: Approved by Letter Jin-Shou-Chung-Zi No. 10333649840 on September 3, 2014.

Note 5: Approved by Letter Jin-Shou-Chung-Zi No. 10433274240 on April 16, 2015.

Note 6: Approved by Letter Jin-Shou-Chung-Zi No. 10433884200 on November 5, 2015.

Note 7: Approved by Letter Jin-Shou-Chung-Zi No. 10434084720 on December 31, 2015.

Note 8: Approved by Letter Jin-Shang-Hang-Zi No. 11090946900 on July 9, 2021

Note 9: Approved by Letter Jin-Shang-Hang-Zi No. 11091024230 on September 6, 2021.

Note 10: Approved by Letter Jin-Shang-Hang-Zi No. 11291115810 on November 15, 2023.

Note 11: Approved by Letter Jin-Shang-Hang-Zi No. 11490774920 on March 13, 2025.

2. Type of stock

March 9, 2025; Unit: share

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	36,370,000	23,630,000	60,000,000	9,000,000 shares were reserved for the issuance of warrants.

Note: The shares are publicly offered.

3. If approval has been granted to offer and issue securities by shelf registration, additionally disclose the approved amount and information regarding securities to be issued or already issued: Not applicable.

(II) List of major shareholders:

March 17, 2024; Unit: share; %

Shares	No. of shares held	Shareholding percentage
Name of the major shareholder		
Chi Bin Industrial Co., Ltd.	5,169,021	14.21
Symtek Automation Asia Co., Ltd.	2,916,398	8.02
Lin, Win-Bin	2,250,337	6.19
Kao Mei Industrial Co., Ltd.	2,124,729	5.84
Zhen Ding Technology Holding Limited	1,637,273	4.50
Yin Bao Industrial Co., Ltd.	1,315,999	3.62
Chen, En	744,965	2.05
Chen, Wen-Sheng	726,625	2.00
Gudeng Venture Capital Co., Ltd.	500,000	1.37
Chen, Shih-Hsiang	418,020	1.15

(III) Dividend policy and execution

1. Company's dividend policy

When the Company has a surplus in its annual final accounts, the Company shall pay taxes according to law, offset the deficits in the previous years, and then set aside 10% as legal reserve. Provided that no further provision shall be made when the legal reserve has reached the Company's paid-in capital. The Company may set aside or reverse the special reserve as required by law. If there is any remaining balance, it should be combined with the accumulated undistributed earnings, so that the Board of Directors can prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting to resolve to distribute dividends to shareholders.

The Company's dividend policy is characterized by a balanced dividend policy that includes cash dividends and stock dividends. The cash dividend payout

ratio shall not be less than 10% of the total dividend distributed from the current year's earnings. Depending on the Company's current and future investment environment, capital needs, domestic and international competition, and capital budgets, as well as considering the interests of shareholders, balanced dividend policy, and the Company's long-term financial planning, the dividends are paid upon the resolution adopted at the shareholders' meeting after the Board of Directors prepares the appropriation of earnings each year as required by the law.

2. The dividend distributions proposed at the most recent shareholders' meeting:

The cash dividend distribution from 2024 earnings was proposed by the Board of Directors on February 17, 2025 and is pending to be resolved at meeting of the shareholders on May 7, 2025. The distribution of cash dividends from 2024 earnings is subject to the approval of the Board of Directors. The Company proposes to distribute NT\$39,444,000 as cash dividends to shareholders from the 2024 earnings, it is NT\$1.2 per share.

3. If a material change in dividend policy is expected, provide an explanation: Not applicable.

(IV) Impacts of stock dividends proposed for the current annual general meeting on the Company's business performance and earnings per share: Not applicable.

Company's business performance and earnings per share: Not applicable.			Year	2024
Item				
Paid-in capital at the beginning (NT\$ thousand)				328,700
Dividend and stock dividend this year	Cash dividend per share			NT\$1.2 (Note 1)
	Stock dividend from retained earnings transferred to capital increase (share)			Not applicable
	Stock dividend from capital reserve transferred to capital increase (share)			Not applicable
Changes to operating performances	Operating profit			Not applicable (Note 2)
	Increasing (decreasing) percentage of operating profit compared with the same period last year			
	Net profit after tax			
	Increasing (decreasing) percentage of net profit after tax compared with the same period last year			
	Earnings per Share			
	Increasing (decreasing) percentage of earnings per share compared with the same period last year			
	Annual average rate on investment (reciprocal of annual price-earnings ratio)			
Pro forma earnings per share and price-earnings ratio	If all the retained earnings transferred to capital increase were distributed by cash dividend	Pro forma earnings per share (NT\$)		Not applicable (Note 2)
		Pro forma annual average rate on investment		
	If capital reserve transferred to capital increase was not	Pro forma earnings per share (NT\$)		
		Pro forma annual average		

Item			Year	2024
	conducted	rate on investment		
	If capital reserve transferred to capital increase and all the retained earnings transferred to capital increase distributed by cash dividend were not conducted	Pro forma earnings per share (NT\$)		
		Pro forma annual average rate on investment		

Note 1: The appropriation of cash dividends from earnings, stock dividends from earnings, and stock dividends from capital surplus for fiscal year 2024 was proposed by the Board of Directors on February 17, 2025, and is to be resolved by the shareholders at the 2025 Annual General Shareholders' Meeting.

Note 2: The Company has not disclosed its financial forecast for 2024, so it is not applicable.

(V) Employee and director remuneration:

1. Percentage or range of employee/director remuneration stated in the Articles of Incorporation.

When the Company makes a profit for the year, it shall set aside at least 3% of the profit for employees' compensation, which shall be paid in the form of stock or cash by resolution of the Board of Directors; and the Company may set aside not higher than 5% of the above profit for remuneration to the directors, which shall be resolved by the Board of Directors. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting.

In case of accumulated losses, profits should be used to offset the losses before distributing the aforesaid percentage as employees' remuneration and directors' remuneration.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

Changes in the estimation of employees' and directors' remuneration are recognized in profit or loss in the year in which the board of directors resolves the changes in accounting estimates. If the Board of Directors resolves that the amount to be paid is materially different from the estimated amount, the change will be adjusted in the year in which the expense was originally recognized. If the amount is still changed after the financial report has been approved, the change will be treated as a change in accounting estimation and will be adjusted in the following year.

3. Information on any approval by the board of directors of distribution of compensation:

- (1) The Board of Directors has resolved the 2024 remuneration to directors and employees' compensation on February 17, 2025, as described below:

Remuneration to director: NT\$508,767.

Employees' compensation: NT\$1,695,890.

- (2) The amount of any employee profit-sharing compensation and director profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

No variance from the amount recognized as expense in the 2024 financial statements.

- (3) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation.

The Company did not propose to distribute any employee profit-sharing compensation in stock; therefore, it is not applicable.

4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated.

The actual distribution of employee compensation in 2023 amounted to cash of NT\$1,526,096, and director compensation amounted to cash of NT\$457,829. Both are consistent with the proposed distribution approved by the original board of directors, with no differences in the recognized amounts.

(VI) Buyback of the Company's shares: None.

II. Issuance of corporate bonds: None.

III. Preferred shares: None.

IV. Issuance of global depositary receipts: None.

V. Employee share subscription warrants and new restricted employee shares: None.

VI. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VII. Implementation of the company's capital allocation plans:

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https://mopsov.twse.com.tw/mops/web/bfhtm_q2

Four. Operational Highlights

I. Business activities

(I) Scope of operation

(1) The company's major lines of business:

A. Research, develop, manufacture, sell and distribute the following products:

- a. AI machine vision devices
- b. Smart equipment for wet process
- c. Smart production integration solution

B. Production and sales of parts, consumables, and specialty materials.

C. Technical and consulting services for the aforementioned products.

D. Import and export trading related to the aforementioned products.

(2) Weight of business of major products:

Unit: NT\$ thousand; %

Year	2023		2024	
	Net operating revenues	Weighting (%)	Net operating revenues	Weighting (%)
Product item				
AI machine vision devices	309,457	24.11	505,439	31.70
Smart solution for wet process	229,471	17.87	350,190	21.96
Smart Production Integration	325,198	25.33	235,269	14.75
Surface Treatment for PCBs	246,388	19.19	291,889	18.30
Others	173,264	13.50	211,880	13.29
Total	1,283,778	100.00	1,594,667	100.00

(3) Current product (service) items and usage

The Company focuses its operations on three main products: AI Machine Vision Equipment, Wet Process Cleaning Equipment combined with Smart Solutions, and AI-based Automation System Integration for Production. Among them, the AI machine vision equipment includes a self-developed high-precision inspection system that utilizes deep learning algorithms to achieve highly accurate defect detection and classification. The company's products are widely applied in fields such as printed circuit boards (PCBs) and semiconductors, providing comprehensive services in raw materials, consumables, and technical integration.

In the PCB industry and module assembly, the Company's Automated Visual Inspection (AVI) equipment offers industry-leading inspection performance and has been successfully implemented by major PCB manufacturers in regions including Taiwan, mainland China, and Thailand. The Company's vision intelligence applications cover core functions such as alignment, measurement, inspection, and defect identification, and can

provide customized production solutions, EAP system integration, smart online chemical monitoring systems, real-time quality monitoring systems, and overall smart factory solutions based on customer needs. In semiconductor inspection equipment, the Company designs automated projects for defect monitoring at various production line stations and substitutes manual inspection and measurement through automation. This integrates individual equipment with production line monitoring systems for real-time oversight.

In the specialty materials sector, the Company provides final surface treatment chemicals for processes such as nickel-gold plating on hard boards, soft boards, and rigid-flex boards, particularly targeting the thin nickel specialty chemicals required for RF communication. These products enhance production yield and performance. Additionally, the Company offers high-performance insoluble anodes that improve current efficiency and reduce electroplating additive losses. The Company also provides complete support services for equipment spare parts and consumables.

(4) New products (services) planned for development

The Company focuses on customer demands. We develop technology for high-end products by analyzing the market, and we seek to optimize our products by innovative thinking.

Our product planning begins with the integration of various functions such as mechanism design, system control, software development, and AI to turn customers' conceptual needs into actual equipment that can be mass-produced and highly competitive. In addition to obtaining several patents, we provide customers with cross-field technical services and more efficient and smarter equipment choices, and we are planning to develop new products in the following directions:

- A. Develop inspection equipment with a resolution of below 1 μ m to meet the inspection requirements of packaging process customers.
- B. Continuously integrate inspection solutions for the character inspection machine series to assist customers in performing more comprehensive final inspections and record-keeping before shipping the substrates.
- C. Continue to integrate competitive inspection and measurement cores from partner companies, as well as joint automation and system integration capabilities, to provide better solutions for customers.
- D. Expand the success of wafer appearance inspection machines and develop appearance inspection machines for the packaging process.

- E. Automate the Keyence VR 3D probe and VHX high-definition microscope to reduce labor costs, increase SECS communication functionality, and automatically upload measurement data to the MES. Additionally, provide customized electric bed platforms for large items under test.

(II) Industry overview

The Company focuses its operations on three main business areas: Smart Manufacturing, Machine Vision Applications, and Production Equipment. It emphasizes the sales and development of related application equipment, while also providing raw materials, consumables, and complete technical integration services. Currently, the company's products are primarily applied in the printed circuit board (PCB) industry. In recent years, the company has also actively expanded into semiconductor front-end wafer and back-end packaging inspection equipment. The current status and development of these industries are described as follows:

(1) PCB industry

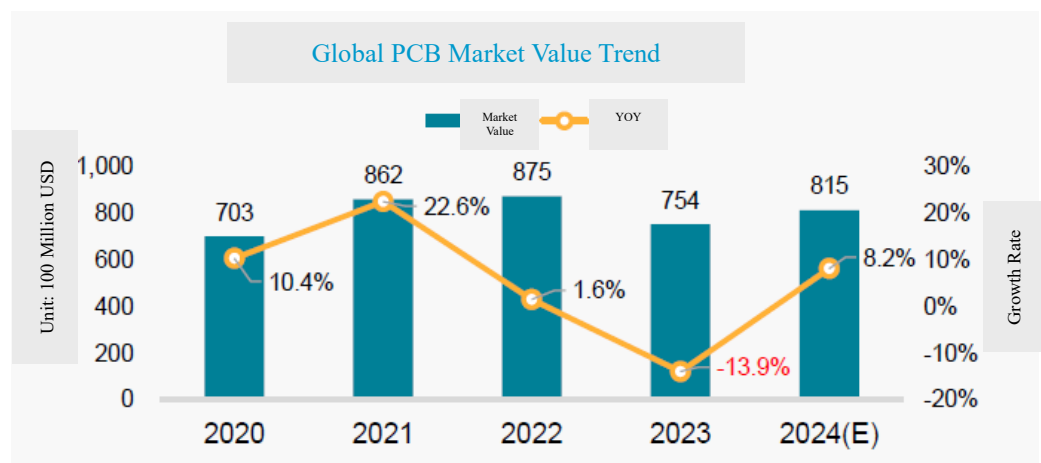
A PCB (Printed Circuit Board) is a crucial component that connects the complex circuitry and copper lines between various electronic parts. After precise planning and circuit design, it serves as the primary support for electronic components during installation and interconnection. It is an indispensable basic component for all electronic products and is widely used in consumer electronics, communication products, information appliances, automobiles, medical instruments, and aerospace products. The types of PCBs include traditional single/double-sided boards, multi-layer boards, HDI (High-Density Interconnect) boards, IC carriers, flexible boards, and rigid-flex boards.

With the trend towards thinner, smaller, and multifunctional downstream products, the demand for overall PCB applications has increased. Additionally, the shift towards high-end miniaturization has become a major technological trend. As a result, there is a growing need for precise measurement and inspection equipment, as well as equipment and chemicals that accommodate fine-line processes.

In 2023, global PCB sales saw a significant decline due to the uncertainty in the global economic situation and a sluggish consumer electronics market. However, in 2024, driven by the strong demand for AI and electric smart vehicles, the global PCB market size is expected to grow to USD 81.5 billion, achieving an annual growth rate of 8%. The

Taiwanese PCB industry’s end-user application market in 2024 is mainly distributed across communications, computers, semiconductors, automobiles, consumer electronics, and others. Among these, semiconductor applications, especially those benefiting from the demand for AI chips and high-bandwidth memory, are expected to see the most significant growth. According to TPCA (Taiwan Printed Circuit Association), the total production value of Taiwanese PCB manufacturers in 2024 is estimated to reach NT\$808.3 billion, achieving an annual growth rate of 5%.

Global PCB Industry Market Value and Annual Growth Rate Trend



Source: TPCA and Industrial Technology Research Institute (ITRI) - Industrial Economics & Knowledge Center (October 2024)

AI has driven innovation in PCB design and manufacturing technologies, including the ability to support higher layer counts and more complex circuit designs. HDI (High-Density Interconnect) boards, due to their high wiring density and small hole diameter characteristics, are increasingly applied in high-performance computing and AI server fields. As server platforms are upgraded, the demand for higher transmission speeds in PCBs continues to rise, driving improvements in material selection and manufacturing processes. AI technology has not only fueled growth in the PCB industry but also spurred technological innovation and changes in market demand, presenting new challenges and transformations for the field.

Looking ahead to 2025, benefiting from the upgrades in AI server and networking equipment infrastructure specifications, as well as the growth of the low Earth orbit satellite market, Taiwanese PCB manufacturers are expected to expand by 5.7%, with total output value reaching NT\$854.1 billion. As mainland Chinese PCB manufacturers continue to expand their market share thanks to policy subsidies, it further highlights the importance of transforming the Taiwanese PCB industry chain. It is essential for all upstream and downstream manufacturers to collaborate and collectively create the next golden era for Taiwanese manufacturers.

(2) Semiconductor Industry

According to the latest research by IDC, due to the continued rise in global demand for artificial intelligence (AI) and high-performance computing by 2025, major application markets across cloud data centers, end devices, and specific industry sectors will all face a trend of specification upgrades. The semiconductor industry is set to experience a new wave of prosperity.

The semiconductor market is expected to grow by 15% in 2025, with the memory sector projected to grow by over 24%. The mature process chip market is also expected to show positive performance, stimulated by the recovery of the consumer electronics market. 2025 will also be a pivotal year for 2nm technology, with major wafer manufacturers entering the mass production phase of 2nm chips.

Overall, wafer manufacturing capacity is expected to grow by 7% annually in 2025, with advanced process capacity increasing by 12%. The average capacity utilization rate is expected to remain above 90%, as the semiconductor boom driven by AI demand continues to unfold.

Global Semiconductor Wafer Industry Market Value and Annual Growth Rate Trend

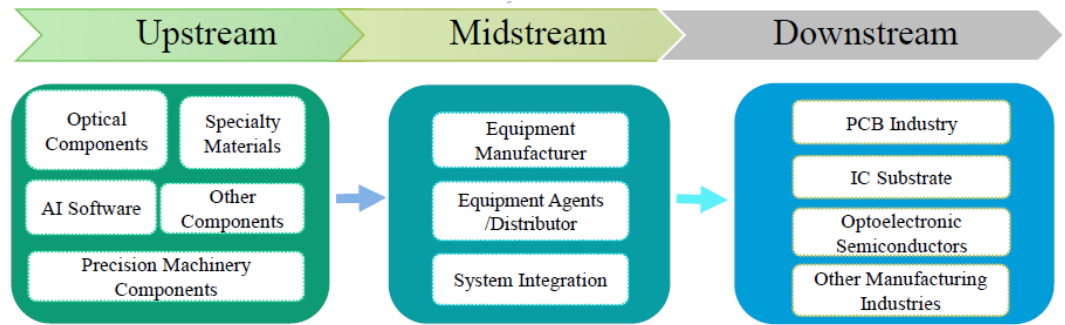


Source: IDC (December 2024)

Under the influence of geopolitics, the global semiconductor packaging and testing landscape is undergoing a reorganization. Driven by China's "semiconductor self-sufficiency" policy, wafer foundry capacity in mature processes is growing rapidly, and the downstream packaging and testing industry is expanding accordingly, forming a complete manufacturing supply chain. Taiwanese manufacturers are showcasing another aspect of their industrial advantages in this context. Not only are they accelerating capacity expansion in Taiwan and Southeast Asia, but they are also deeply developing advanced packaging technologies for AI chips. Looking ahead to 2025, China's market shares in semiconductor packaging and testing will continue to rise, while Taiwanese manufacturers will solidify their advanced packaging advantages in AI high-end chips. It is expected that the overall packaging and testing industry will grow by 9% in 2025.

IDC points out that the global semiconductor industry will continue to grow at a double-digit rate in 2025, but will still face multiple uncertainties, including geopolitical risks, global economic policy adjustments (such as industry subsidies and trade tariffs), end-market demand, and changes in supply and demand due to new production capacity. These are all key factors that will impact the semiconductor industry in 2025.

(3) Relationship between the upstream, midstream and downstream suppliers



Source: Compiled by SynPower

(4) Product development trends

The Company's three main product pillars are AI machine vision equipment, production automation integration, and wet process smart solutions. These three core areas need to integrate with three major trends in the electronics industry: advanced processes, AI and intelligence, and net-zero carbon emissions. Below is the development trend of the Company's products and offerings:

A. High-Tech Development Trends and Increased Demand for Automated Quality Inspection Combining AI and Deep Learning for Smart Inspection

- Higher Detection Accuracy and Efficiency

AI technology will be further applied to defect detection, utilizing deep learning models to achieve more precise defect identification and classification.

- Automated Learning and Adaptability

AI systems will be able to learn new PCB design specifications and defect types, reducing manual intervention.

- Big Data Analytics and Predictive Maintenance

Utilizing inspection data to monitor equipment status, predict maintenance needs, and improve operational stability.

B. The Arrival of the Information Management Era and Increased Demand for High-Precision Vision Products Supporting Higher Density and Smaller Sized Circuits

- Miniaturized Inspection Technology:

In response to High-Density Interconnect (HDI) and substrate/RDL trends, equipment will support higher-resolution optical imaging technologies capable of inspecting ultra-fine lines (e.g., less than 10 μm) and micro solder joints. Miniaturized inspection is also a key focus for high-end packaging RDL circuit inspection, with line widths/spacing evolving from the past 5 μm /5 μm to <2 μm /2 μm , making traditional inspection methods inadequate.

- Wide Application of 3D Inspection Technology:

Integration of 3D AOI (Automated Optical Inspection) to meet the demands of inspecting irregular components and multi-layer PCBs, as well as the semiconductor industry.

C. Multifunctional Integrated Equipment

- Multi-Surface Inspection:

Combining top and bottom surface inspection with side surface inspection, enabling comprehensive analysis in a single pass.

- Integration of Multiple Technologies:

Combining optical inspection with other inspection technologies (such as X-ray, laser inspection, and high-resolution measurement capabilities) to provide a comprehensive inspection solution.

D. Environmental and Energy-Efficient Design

- Low-Energy Consumption Equipment:

PCB and semiconductor-related wet process equipment will need to be developed with lower energy consumption to reduce operational costs and meet green production demands. This includes developing low-energy blowers for wet process equipment and integrating online chemical detection to achieve more economical chemical usage, reducing product carbon emissions.

E. Intelligent System Integration

- Integration with Smart Factories:

Inspection equipment will become part of the smart factory, enabling interconnectivity with other manufacturing equipment through IoT technologies, achieving full-process automation.

- Support for Remote Management:

Equipment will support remote operation and monitoring, increasing flexibility in cross-regional production.

F. Expanding into New Application Areas

- Cross-Industry Applications:

Optical inspection technology will gradually be applied to other industries, expanding beyond the current PCB and semiconductor industries to include multi-surface electronic module inspections. Additionally, wet process equipment—such as automatic analysis and automatic chemical addition systems—can also be applied to semiconductor-related industries.

(5) State of competition

The Company has deeply invested in both equipment representation and the development of proprietary technologies, advancing in both directions. We have become a professional supplier of machine vision inspection, measurement applications, and advanced process/wet process equipment integration solutions. We have specialized teams in optics, mechanics, software, electrical control, technical services, specialized materials, and wet process equipment, along with abundant technical resources, allowing us to provide full-factory integration system application solutions tailored to diverse customer needs.

Our products are primarily applied in the printed circuit board (PCB) and optoelectronics industries, and we have successfully expanded optical applications into the semiconductor industry. Additionally, we also provide products related to micro-vision traceability and inspection. Our market scope spans both sides of the Taiwan Strait, Northeast Asia, and Southeast Asia. Our main products include:

- Appearance inspection equipment for HDI, flexible boards, IC substrates, LCD boards, and wafers

- Automatic optical circuit measurement equipment
- Non-contact high-end wet process equipment for the next-generation m-SAP process
- Flip-chip packaging substrates, COF (Chip on Film) for flexible flip-chip packaging, and specialized chemicals for flexible boards

The Company focuses on integrating emerging product technologies for smart manufacturing, combining nearly 20 years of optical vision application expertise. We provide hardware equipment and integrate process factory production management, supporting the digital transformation of the manufacturing industry. At the same time, we offer software system applications that perfectly complement the realization of smart manufacturing factories.

In recent years, in response to the net-zero carbon emission initiative, the Company has incorporated energy-saving modules or systems into our solutions to help customers improve product carbon emissions. We provide a comprehensive range of equipment and services, earning deep trust from our customers and establishing a unique advantage that is difficult for competitors to replicate.

(III) Overview of existing technologies and research and development

(1) R&D expense spent

Unit: NT\$ thousand; %

Item \ Year	2023	2024
R&D expense	44,931	54,704
Net operating revenues	1,283,778	1,594,667
Ratio of R&D expenses to net operating revenues %	3.50	3.43

Source: 2023 and 2024 financial statements audited and certified by CPAs.

(2) Technologies and/or products successfully developed

Category	R&D Outcome
AI machine vision devices	Method for establishing image defect detection models, defect image detection methods, and electronic devices (2024)
	Machine learning image segmentation system and system for generating defect-free circuit board images (2024)
	Machine learning image segmentation system and system for

Category	R&D Outcome
	generating defect-free circuit board images (2024) Wafer cassette inspection device (2024) Polishing pad inspection device and system (2024) Optical measurement system (2021) Parameter setting method for visual inspection systems and intelligent systems (2021) System for real-time correction of object position and size measurement on measurement equipment (2021) Appearance inspection system (2021) Process parameter monitoring imaging device (2021) Intelligent device for automatic optimization of parameters (2021) Smart imaging and measurement system (2021) Multi-light source optical inspection system (2020) Appearance inspection system and inspection method (Eye tracking) (2019) Optical defect detection system (multi-light source, multi-surface) (2018) Optical defect detection system and its feeding and placement system (2018) Optical defect detection system (multi-surface mechanism with flipping detection technology) (2018) Optical image detection device (coaxial light source) (2017) Optical defect detection system (2017) Optical image detection device (with air hole device) (2017) Optical defect detection system (multi-surface detection technology) (2017) Optical defect detection device based on multi-resolution images (2017) Optical inspection system (2016) Printed circuit board inspection system (2016) Image inspection method for printed substrates (2016) Image inspection system (II) (2016)
Smart solution for wet process	Filter core backwash recovery system (2024) Horizontal wet process fixture (2021) Flexible substrate horizontal wet process method (2021) Horizontal wet process device (2021) Visual inspection system for residual copper on electroplating clamps (2019) Electroplating clamp and its impedance testing method (2017) Thin film peeling device (2016)
Smart Production Integration	Barcode traceability process identification system (2023) Printed circuit board carrier management system and method (2023) Intelligent circuit board manufacturing process (2023) Intelligent circuit board etching device (2022) Intelligent processing system (2021) Yield and production equipment error rate traceability method and system for printed circuit boards (2021) Factory-wide intelligent traceability adjustment system (2021) Printed circuit board with production information marking (2021) Intelligent barcode reading and positioning system and method (2020) Dynamic barcode reading equipment (used in the transparent rolling

Category	R&D Outcome
	wheels in PCB processes) (2019) Printed circuit board production marking method for statistics and traceability of production defects (2019) Information integration system (detection data integration system and method) (2019) Information integration system (A detection data integration system and method) (2019) Modular architecture for barcode reading systems (2018) Defective product marking device (2018) Process parameter monitoring system (2017)
Mechanism Design and Automation	Substrate transport device and its transport method (2024) Dual-arm substrate transport device (2023) Substrate transport device (2024) Substrate processing equipment (2022) Zipper conveyor device (2022) Paper picking device (2021) Drawer-type loading and unloading structure (2021) Defect detection mechanism system (2020) Nozzle device (2019) Carrier flipping detection system (2019) Side-suction substrate transport device (2019) Film transport device (2018) Substrate appearance inspection machine and its substrate feeding mechanism (2017) Printed circuit board testing device with signal adapter board and cushioning pad (2016) High-efficiency suction device (2016)

(IV) Long and short-term business development plans.

(1) Short-term business objectives

- A. Recruit new talent and strengthen the training of existing employees, enhancing vocational skills and operational capabilities.
- B. Deepen expertise in proprietary field development and research technology.
- C. Expand agency business and explore new markets.
- D. Strengthen diverse international technological and manufacturing collaborations.
- E. Provide customized smart production integration solutions.
- F. Begin early research and development of potential future products based on customer demand.

(2) Long-term business direction

The Company focuses on three key product development areas: "AI machine vision equipment," "wet process cleaning equipment integrated with smart solutions," and "production AI automation system integration." In the printed circuit board (PCB) industry, we are expanding our product offerings in substrate integration, smart applications, wet process specialized cleaning equipment, and smart technologies, all in line with

ESG development requirements. We aim to establish international product technical collaborations, localize production and services, and advance cross-disciplinary integration in semiconductor AI vision and manufacturing. Our goal is to build partnerships in business, technology, and research and development, positioning ourselves as a key player in the construction of system integration platforms. In addition to continuously investing in new R&D technologies for emerging industries, we will also bring in the latest competitive core technologies from abroad, offering customers a more complete and advanced product lineup. At the same time, we will integrate specialized materials, professional applications, and technology research to strengthen the system interconnection structure of our equipment. By expanding integrated marketing and reinforcing the bi-directional cooperation within the industrial chain, we aim to further develop AI smart integration applications and AI vision application technologies. Our ongoing goal is to provide high-value-added, customized services and become the best partner for customers' AI smart manufacturing and management integration.

II. Market, production and sales overview

(I) Market analysis:

- (1) Analysis of the geographic areas where the main products (services) of the company are provided (supplied)

Unit: NT\$ thousand; %

Sales region \ Year	2023		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Taiwan	572,407	44.59	594,776	37.30
Asia	711,371	55.41	987,480	61.92
Others	-	-	12,411	0.78
Total	1,283,778	100.00	1,594,667	100.00

- (2) Market share

The Company is a professional manufacturer and agent for R&D, production and sales of automatic optical inspection and measurement, circuit board dry and wet advanced equipment. Our main business is the manufacture, research and development, agency and sales of optical visual inspection and measurement systems and advanced production equipment for circuit boards. More than 90% of the circuit board manufacturers in Taiwan and Mainland China who produce automotive PCBs, server PCBs, and mobile phone PCBs have adopted our AVI; however, due to the lack of clear categorized domestic and foreign market share surveys and comprehensive statistics, we are unable to compare the market share for the other major circuit board industry equipment that we sell.

- (3) Demand and supply conditions for the market in the future and the market's potential

Printed circuit board is an important electronic component and the

support body. It plays an important role in the electronic industry and is the carrier of electrical connection of electronic components. So, it is known as the mother of the electronic industry. As science and technology develops, printed circuit boards are widely used in military, communications, medical, power, automotive, industrial control, smart phones, wearable devices, and other technical fields. The PCB production value on both sides of the Taiwan Strait is the highest in the world. This trend is expected to maintain a gradual growth in the next few years as the Mainland is the most important production region for the PCB production value. On the other hand, as downstream electronic products strive for lightweight and compact designs, various PCBs continue to develop towards high precision, high density, lightweight and compact, as well as safety and reliability, which means that the conditions for wire measurement and inspection of defects on the PCBs have become more stringent, and the traditional standardized operations performed by human eyes will become unreliable. At the same time, the labor shortage arising from the declining labor intensity in PCB industry will push up the demand for automated inspection and measurement. In addition, in order to reduce the manufacturing cost and improve the production efficiency of PCB manufacturers to increase the production value, the Company not only introduces high-performance automated equipment, but also integrates the equipment into smart manufacturing, and provides customers with a more efficient production mode to enhance the competitiveness.

(4) Competitive niches

A. Strong management team:

The Company operates in highly differentiated and complete sectors, with a workforce that is more diverse than that of typical equipment agencies. The team spans across various fields including electronics and electrical engineering, chemical materials, software applications, business management, and marketing. More than 60% of our staff is dedicated to technical applications and research and development (R&D), ensuring the comprehensiveness of our product services. Additionally, our chemical materials team possesses deep expertise in chemical materials applications and, through equipment data analysis, provides new technological development directions and reference standards for automated R&D teams. By integrating corporate talent and regular educational training, the Company continuously strengthens its competitive advantage, ensuring our leading position in the market.

B. Provide diversified equipment and integration solutions for automated production lines:

Starting with optical inspection and measurement equipment, the Company is the only supplier in the industry to offer a full range of automated appearance inspection machines for various types and sizes of boards, with many years of technical experience. We stay aligned with customer needs, and as the semiconductor and high-end packaging markets grow, we actively invest in technological development, production integration, and agency cooperation, constructing a comprehensive product line that covers high-performance, intelligent

process equipment, and chemical materials. This builds a strong foundation for diversified development.

Our visual application technology and software team is strong, capable of offering highly customized vision application modules that further enhance the performance of customer equipment and production management efficiency. In the future, smart factories and automated production will require the integration of dry and wet processes. The Company possesses the relevant knowledge and technology to provide complete equipment and system integration solutions. Compared to other equipment vendors, we have a clear competitive advantage in R&D capabilities, comprehensive product offerings, material expertise, and integration solutions.

C. Prompt on-site after-sales service and professional maintenance ability:

Our appearance inspection equipment is already widespread in the key PCB production areas across Taiwan and Mainland China. As such, our technical service centers cover Taiwan, East China, South China, North China, Thailand, India, and other regions, adopting a "hub-and-spoke" model to ensure quick responses to customer needs. We also feed our service experience back to R&D and manufacturers to continuously optimize product performance. As the sales of process equipment expand, we have established a professional technical service team with responsibility-based management to improve service efficiency. Additionally, we have established bi-directional agency relationships with manufacturers in Japan, South Korea, Mainland China, and Europe for complementary cooperation on technology and products, which not only ensures service efficiency but also reduces operational costs for both parties. Through precise execution via our CRM system, we can promptly monitor customer satisfaction and continuously optimize service and equipment performance.

D. Have extensive system integration technology and marketing integration capabilities:

The Company focuses on the core business of manufacturing and agency of automation equipment, innovative visual application integration solutions, and high-end chemical materials. Through a diversified business structure, we have built a unique "Pillar Philosophy" business model. Rather than engaging in price competition, we target the "niche but beautiful" market, offering high-value, cost-effective process automation equipment and solutions. Both our R&D and agency products are based on market trends and PCB technology developments, dedicated to helping customers optimize processes and create the highest value applications for the PCB and related industries, ensuring technological leadership and market competitiveness.

(5) Advantages, disadvantages and countermeasures for prospective development

A. Positive factors

(A) Possession of a Professional Customer Service and Localized Service

The Company has a dedicated customer service training system that assists customer personnel with equipment usage education and training, ensuring that customers can use our precise equipment for long-term reliable operation. This, in turn, deepens customer demand and trust. We currently have subsidiaries in Dongguan and Kunshan in Mainland China, an office in Thailand, and a service center in Qinhuangdao, providing complete equipment maintenance and repair services. This allows us to thoroughly understand customer needs and market dynamics while ensuring high-quality service.

(B) Wage Increases Leading to Increased Demand for Automation/Intelligent Systems

As wages, benefits, and social insurance costs rise in the electronics manufacturing industry, demand for automation machinery on production lines is increasing. Additionally, the trend toward lighter, thinner, shorter, and smaller electronic products has tightened production and inspection requirements. Traditional manual labor and visual inspection are becoming unreliable, making precision and efficiency in every process step essential. The need for intuitive and convenient management, coupled with a shrinking labor force in PCB production, further drives demand for automated inspection, measurement, and equipment applications—benefiting our industry’s future development.

(C) Possessing a Diverse Product Portfolio and Integrated Marketing Capabilities

With the development of technology, the demand for high-end equipment continues to rise, and new devices are constantly being introduced. However, developing new equipment requires significant human and material resources and a long development timeline, while market opportunities are often fleeting. To meet customer demand for high-end automation equipment, our company not only actively invests in the development of proprietary technology but also introduces different product series through agency agreements. This approach allows us to meet customer needs for process improvements and, through our broad customer base, collect market information to quickly gain entry when launching new products, offering customers the best channel to acquire the equipment they need.

(D) Possession of an In-house Development Team

The Company aims to become an expert in visual applications and intelligent manufacturing integration solutions, starting with optical inspection and measurement equipment. We possess core technologies in optical imaging systems, image processing, software recognition, and precision machinery. Our R&D team consists of professionals from optics, mechanics, electronics, and software integration technologies. Combined with agency equipment and specialized materials, we have extensive system integration expertise and experience, providing more precise and faster application technology for new product markets. We are also capable of developing related visual inspection systems for customers. In terms of patents, we have obtained over 100 patents in Taiwan, Mainland China, Japan, and South Korea. Responding to the development of big data, we are investing in the application of production big data and measurement results and working towards establishing an expert system for intelligent monitoring and production. Furthermore, we have allied with other industries and customers to form a Smart Manufacturing Alliance for flexible printed circuit boards (FPCB), applying and developing the m-SAP process to achieve real-time monitoring and the benefits of smart production.

B. Negative factors and countermeasures

(A) The Rise of Equipment Manufacturers in Mainland China and Increased Competition

In the past, most dry process equipment was imported from foreign countries or Taiwanese manufacturers, while advanced process equipment was primarily supplied by domestic companies. With the rise of China, factors such as market access, capital, and talent have contributed to the growth of Chinese equipment manufacturers. Backed by substantial funding and government resources, these Chinese companies have become strong competitors against Japanese, Korean, and Taiwanese manufacturers.

Countermeasures:

- a. Strengthen our local service capabilities to provide timely and high-quality service. With our extensive customer service experience, we can offer a stable and efficient sales model, fostering cooperative partnerships with manufacturers. We will continue to train professional maintenance engineers to enhance post-sales equipment maintenance and leverage our marketing channel advantages. Additionally, by utilizing our technical and integration capabilities, we will establish specialized R&D departments to develop emerging industrial technologies, combining nearly 20 years of application expertise. This will allow us to not only develop new equipment but also provide intelligent manufacturing integration solutions and customized services for our customers.
- b. In addition to collaborating with Japanese and Korean

manufacturers, we are also working with Chinese manufacturers to co-develop products and promote them through our diverse channel systems, including agency agreements, sales cooperation, business promotion, and technology development collaboration.

(B) Low Sales Volume of Inspection Equipment

Countermeasures:

- a. Continue to develop high-precision in-house equipment and introduce new application fields.

We will continue investing in visual and measurement applications, such as developing semiconductor wafer appearance inspection machines, 3D measurement systems, and high-speed dual-surface automatic PCB inspection machines (AVI). We are actively working on innovative technologies, developing deep learning systems, automatic etching monitoring instruments, and production equipment networking products, as well as implementing smart systems for intelligent production. This will enhance equipment value, move towards integrating vision technology, automation equipment, and big data to create a production line management consultant model, gaining customer trust and recognition. Regarding specialized materials, we will continue to invest in the development of advanced materials and precision machinery to ensure stable future growth and expand product application fields.

- b. Establish a new brand focused on providing intelligent integration solutions.

We will provide smart equipment, plan various intelligent equipment systems integration, and analyze data to create accurate and efficient smart production. This not only enhances the value of equipment but also develops into a production line management integration solution model by combining vision technology, intelligent systems, and mixed-reality visualization. This customized service approach will help us gain customer trust and recognition. Regarding specialized materials, we will continue to invest in high-end materials and precision machinery development, combining this with intelligent integration solutions to become an essential driver of stable growth in future operations and expand product application areas.

- c. Introduce advanced high-end equipment to expand market sales.

Through our years of experience in helping customers with system integration and our strong relationships with manufacturers, we can quickly and timely respond to market dynamics. This allows us to lead the industry by introducing advanced high-end equipment to assist in improving PCB processes and meeting the production capabilities required for high-end consumer electronic products, such as ultra-fine lines, high-quality production efficiency, and

miniaturized designs. Our company currently represents several advanced devices for next-generation smartphones, including high-end D.E.S Lines for thin and flexible board applications. These use the latest nozzle injection systems for superior line quality and stable ultra-thin board transportation. Additionally, non-contact vertical copper plating equipment for electroplating and chemical plating (RTR) offers the lowest contact, low-tension effects, significantly improving process efficiency and preventing board scratches. Furthermore, our ultrasonic and dual-fluid cleaning machines, which do not require chemical solvents, increase cleaning power by 20-40 times compared to one-way machines, reduce chemical use, and minimize equipment footprint. By representing advanced equipment, we not only gain insights into the application of cutting-edge technologies but also integrate our in-house and agency products for a comprehensive marketing approach, providing customers with all-around equipment consulting services.

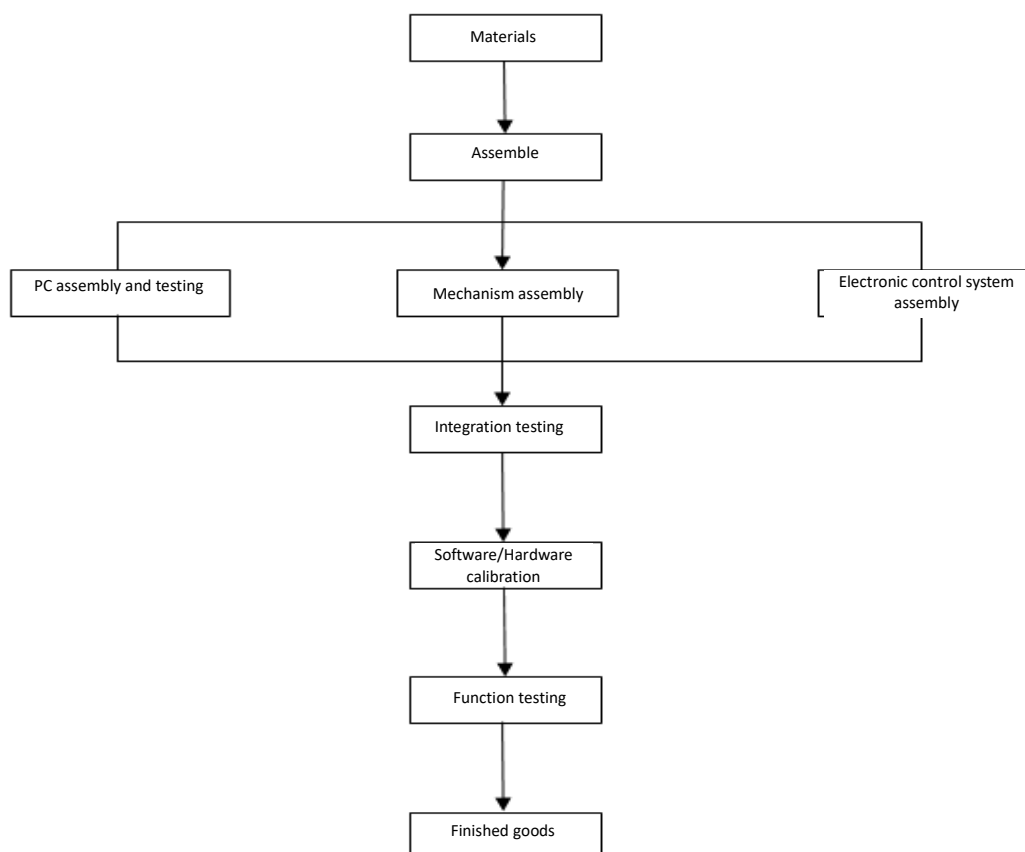
(II) Usage and manufacturing processes for the company's main products

(1) Usage for the company's main products

Product item	Important uses or functions
AI machine vision devices (Application for Inspection and Measurement)	<ol style="list-style-type: none"> 1. For high-end PCBs, we provide fully automatic and fast AOI/AVI inspection equipment, including fully automatic AOI inspection, AVI defect inspection and 3D warpage measurement. The integration of AI visual image reading technology and virtual measurement technology can minimize the detection error and accelerate the quality prediction in the process. 2. It combines visual software and hardware technologies to provide customers with solutions and equipment for optical positioning, measurement, alignment, monitoring, identification, and appearance inspection.... These solutions and equipment are designed to satisfy customers' needs in production control and quality inspection, which can be applied to PCB, IC substrate and packaging, and semiconductor wafer inspection.
Smart solution for wet process	<ol style="list-style-type: none"> 1. Smart Optimization Rapid Trial Production System for PCB, including Smart Predetermination Parameter Optimization System and Real-time Monitoring System for the whole manufacturing process. In order to carry out rapid trial production for small quantity, diversified, and customized PCB products, the optimal parameter prediction can take place within 200 sets of production data parameters, using the product specifications read from Gerber or CAD drawings and production history, and then using the AI model to carry out the optimal process parameter prediction for different product lines, thus reducing the time for trial production of the new material. 2. The production process of PCB is very complicated; it applies the technologies of exposure, drilling, etching and plating to produce fine wires. The advanced wet-processing equipment combined with the concentration monitoring and automatic addition of

	<p>chemical can ensure the manufacturing quality is stable and less fluctuations.</p> <p>3. Develop more energy-efficient wet processing solutions and apply them to PCB and semiconductor manufacturing processes. In addition to energy savings, these solutions can also reduce or replace the use of chemicals.</p>
<p>Smart Production Integration (AVRIOT) Solution (Factory/Equipment Smart Integration)</p>	<p>1. Through our "AVRIOT" technologies (AR, VR, VIOT, VI, IOT, OT, etc.), we can lay out a smart network from a single device to the entire factory environment, gather various data from devices and analyze them through multifactor modeling to achieve parameter monitoring and virtual measurement capabilities, and then provide the best production parameter and smart decision-making solutions.</p> <p>2. We can provide customized modifications to customers' existing equipment, which not only allows production information to be uploaded, but also allows automatic management for equipment, and provides comprehensive, efficient, and real-time visual management by using 3D situation room and MR mixed reality, so that we can build a smart factory that best meets customers' needs.</p>
<p>Surface Treatment for PCBs</p>	<p>1. Immersion Silver: A layer of immersion silver is coated on the PCB, which is mainly used in radar for advanced driver assistance system, such as side collision avoidance radar, blind spot detection, and rear reversing radar.</p> <p>2. Electroless nickel: A layer of electroless nickel is applied to the PCB, primarily for use in communication PCBs for 5G base stations.</p> <p>3. ENEPIG: A layer of ENEPIG is coated on the PCB, which is mainly used in radar for advanced driver assistance system, such as side collision avoidance radar, blind spot detection, and rear reversing radar.</p>

(2) Manufacturing processes for main products:



(III) State of supply for primary materials

Primary materials	State of supply
Optical components	Sufficient resources and stable supply
Computer system	Sufficient resources and stable supply
Electrical & electronic appliances	Sufficient resources and stable supply
Machined parts	Sufficient resources and stable supply
Chemical materials	Sufficient resources and stable supply

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each.

(1) Information on suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years

Unit: NT\$ thousand

	2023				2024			
	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer
1	O	79,516	10.08	None	R	191,904	18.34	None
2	-	-	-	-	O	114,738	10.96	None
	Others	709,336	89.92	None	Others	739,822	70.70	None
	Net purchase	788,852	100.00	None	Net purchase	1,046,464	100.00	None

Description of changes: The Company provides equipment and specialty materials for PCB manufacturers, including self-made and distributed equipment. The efficiency of equipment, delivery speed and price are the key factors affecting the success of the Company's product development and sales. Therefore, the Company must be able to maintain a good and stable long-term relationship with suppliers to ensure that the Company's products continue to be competitive in terms of quality, performance and price. As a result, the Company's major raw material suppliers are in long-term partnership and will not be subject to significant adjustments or changes in the near future. In the future, as new process technologies continue to be developed, the Company will actively seek cooperation with other major suppliers in order to minimize its dependence on a single supplier.

(2) Information on clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years

Unit: NT\$ thousand

	2023				2024			
	Name	Amount	As a percentage of annual net sales	Relationship with the issuer	Name	Amount	As a percentage of annual net sales	Relationship with the issuer
1	Z	229,350	17.87	None	Z	218,097	13.68	None
2	-	-	-	-	G	217,693	13.65	None
3	-	-	-	-	D	198,544	12.45	None
	Others	1,054,428	82.13	None	Others	960,333	60.22	None
	Net sales	1,283,778	100.00	None	Net sales	1,594,667	100.00	None

Description of changes: The changes in the Company's sales targets were mainly attributable to the changes in the product end-market, end-customer demand, development of equipment application, customer procurement strategy and customer operating conditions, which resulted in changes in the major sales customer portfolios.

III. Information on employees for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

March 31, 2025; Unit: no. of employee

<u>Year</u>		<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2024</u>	<u>2025 up to March 31</u>
Number of employees (people)	Direct employees	63	60	56
	Indirect employees	228	261	263
	Total	291	321	319
Average age		37.29	60	37.78
Average years of service		5.95	261	5.78
Distribution of academic background %	Doctoral Degree	0.69%	0.62%	0.63%
	Master's Degree	10.65%	12.15%	11.29%
	College	64.60%	64.80%	67.08%
	Senior high school	23.02%	21.18%	19.75%
	Below senior high school	1.03%	1.25%	1.25%

IV. Contribution to environmental protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

V. Labor-management relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements

1. Employee benefit plans, continuing education and training

(1) The Company has adopted welfare policies that include meal subsidies, employee bonuses, holiday bonuses, etc. Employees may apply for wedding, funeral, and maternity subsidies and other welfare benefits, as well as various employee activities and other welfare measures. In addition, we have taken measures such as providing group insurance for our employees so that we can provide them with a better protection

(2) Education and training: To meet the company's annual strategic goals and labor development, and to improve the employee's qualification, professional ability and work efficiency, we provide various OST, OJT, and internal and external training courses for employees according to different professional competencies, and encourage employees to share and build KM to enhance their

academic skills, so that we can facilitate the passing on the key technologies or experiences, and to provide employees with convenient and diversified learning channels. For example, the customer service department has implemented a customer service competency certification system, which provides experience sharing among employees, strengthens after-sales technical maintenance capabilities, and reduces the new employee turnover rate, as well as training senior employees to educate new employees.

2. Retirement systems and the status of their implementation

The Company has implemented a new pension system since July 1, 2005. The Company contributes no less than 6% of a worker's monthly salary to his/her pension account every month under the Labor Pension Act and manages retirement in accordance with the Act and the Company's HR regulations.

3. Status of labor-management agreements and measures for preserving employees' rights and interests

Based on the relevant laws and regulations, the management and employees shall follow the work rules and various management regulations that define the rights and obligations as well as the welfare items of the employees in order to protect the employees' rights and interests. The Company has maintained harmonious labor relations since its incorporation, and has actively established a two-way and open communication, and there have never been any significant labor disputes or losses.

- (II) List any losses suffered by the company in the past two fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

1. Labor disputes

Date	Content	Disposition Number	Impact on the Company's Financial and Business Affairs
January 23, 2024	In 2024, a labor dispute arose between Mr. Huang and the company regarding the contents of the involuntary resignation certificate. On January 24, 2024, the Taoyuan City Government Labor Affairs Bureau (Taolaozi No. 1130005143) sent a letter to mediate the labor dispute regarding the reinstatement of the employment relationship between Mr. Huang and the company. On February 5, 2024, (Taolaozi No. 1130007232), a letter was sent to arrange a labor dispute mediation meeting. However, both parties reached a mediation agreement on August 20, 2024.	-	No significant impact.

2. Violation of the Labor Standards Act

Date	Content	Disposition Number	Impact on the Company's Financial and Business Affairs
January 6, 2025	In 2024, the Taoyuan City Government Labor Bureau conducted a labor inspection at the subsidiary, Chipboard, and found	Fu Lao Tiao Zi No. 1130370639.	No significant impact.

Date	Content	Disposition Number	Impact on the Company's Financial and Business Affairs
	<p>that Chipboard had failed to pay the full salary due to the absence of clock-in records for Mrs. Lin 's working hours and salary deductions for Mrs. Huang 's sick leave. This was found to be in violation of Article 22, Paragraph 2 of the Labor Standards Act (text below), and a fine of NT\$20,000 was imposed in accordance with the law.</p> <p><u>Article 22, Paragraph 2 of the Labor Standards Act</u></p> <p>Wages shall be paid in full directly to the worker, unless otherwise prescribed by applicable statutes or administrative regulations or agreed to by both the employer and the worker.</p>		
January 6, 2025	<p>In 2024, the Taoyuan City Government Labor Bureau conducted a labor inspection at the subsidiary, Qijing, and found that Mr. Hsu's working hours exceeded the legal limit. This was found to be in violation of Article 32, Paragraph 2 of the Labor Standards Act (text below), and a fine of NT\$20,000 was imposed in accordance with the law.</p>	Fu Lao Tiao Zi No. 11303706391.	No significant impact.

Date	Content	Disposition Number	Impact on the Company's Financial and Business Affairs
	<p><u>Article 32, Paragraph 2 of the Labor Standards Act</u></p> <p>The extension of working hours referred to in the preceding Paragraph, combined with the regular working hours shall not exceed twelve hours a day; the total number of overtime shall not exceed forty-six hours a month; however, the extension of working hours, with the consent of a labor union, or if there is no labor union exists in a business entity, with the approval of a labor-management conference, shall not exceed fifty-four hours a month and one hundred and thirty-eight hours every three months.</p>		

VI. Cybersecurity Management

- (I) Describe the structure of cybersecurity risk management, cybersecurity policies, specific management solutions, resources committed towards cybersecurity management and so forth.

1. Information Security Policy

To ensure the confidentiality, integrity, and availability of information assets, prevent internal and external threats, and ensure business stability, the Company has established an information security policy in accordance with the "Guidelines for Information Security Management of TWSE/TPEX Listed Companies."

2. Scope

The policy applies to all employees, contractors, partners, and third parties accessing the company's information assets, covering all company information systems, networks, data, and related assets.

3. Objectives

- (1) **Protect Information Assets:** Ensure confidentiality, integrity, and availability to prevent unauthorized access and modification, ensuring data availability.
- (2) **Regulatory Compliance:** Comply with laws and standards, regularly update policies, ensure compliance, and avoid risks.
- (3) **Enhance Security Awareness:** Provide regular training to enhance employees' security awareness and ensure they fulfill their responsibilities.
- (4) **Business Continuity:** Implement security controls and contingency plans to ensure business operations continue during incidents.
- (5) **Customer Satisfaction:** Meet information security requirements, provide reliable services, and enhance customer confidence.

4. Information Security Management Framework

Establish an Information Security Management Team led by the Chief Information Security Officer (CISO), who is responsible for promoting, coordinating, and supervising the information security management work across departments. The team will report to the board at least once a year on the status of information security governance.

5. Specific Management and Protection Measures

(1) Information System Security and Management

- (1.1) Establish control mechanisms for information systems to ensure system and network security, prevent unauthorized access, assign dedicated personnel for asset management, and conduct annual vulnerability scans, identifying and patching system vulnerabilities, along with regular penetration tests.
- (1.2) Set user account and privilege levels based on business functions and responsibilities, and implement measures like password encoding rules, regular password changes, account deactivation, and file encryption.

(2) Malware and Computer Security

Prohibit the use of unauthorized software, install and regularly update virus detection and remediation software, ensuring the stable operation of

systems and antivirus software to prevent potential threats.

(3) Network and Email Security

Check network equipment daily, restrict network access to authorized users, and use firewalls to control data transmission, manage email accounts, filter spam, and encrypt connections to reduce security risks.

(4) Data Backup and Disaster Recovery

Establish backup and offsite contingency plans, conduct regular disaster recovery drills to ensure rapid emergency response during unexpected events and protect data security.

(5) Data Center Security Management and Environmental Maintenance

Strictly control access to the data center, allowing only authorized personnel, and maintain detailed records of system management and operations.

(6) Information Security Policy Awareness and Training

(6.1) Regularly promote the information security policy and conduct annual social engineering exercises to enhance all employees' security awareness.

(6.2) Information security personnel and security managers should undergo professional training in information security or IT security functions at least once a year.

(7) Information Security Policy Awareness and Training:

(7.1) Regularly promote the information security policy and conduct annual social engineering exercises to enhance the information security awareness of all employees.

(7.2) Information security personnel and security managers should undergo professional IT security training or IT security competency training at least once a year.

6. Resources Allocated for Information Security Management

The Company assigns personnel from the Information Department to handle matters related to information security management, planning, and assessment. At least once a year, security assessments will be conducted on information users, information systems, and related equipment.

- (II) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company conducts audits annually based on the operational procedures and IT security checks defined in the "Information Security Policy" to ensure that employees comply with the policy. As of the date of the annual report's publication, no significant information security incidents have occurred in the past two years or this year, and there has been no negative impact on the company's operations.

VII. Major contracts

Nature of Contract	Party	Beginning and end dates	Main Contents	Restrictions
Deep Learning Multi-Class Classification Model-Technology and Patent License Agreement	Industrial Technology Research Institute	March 31, 2019 to March 31, 2029	Patent Licensing Technology Development	None
Patent for Circuit Board Clamping and Stretching Device and its Control Method, and Metal Coating Rate and Film Thickness Prediction Module Control - Licensing Agreement	Industrial Technology Research Institute	July 1, 2024 to June 30, 2025	Patent Licensing Technology Development	None
Patent License Agreement for the Method of Depositing a Conductive Layer on Adhesive Layers and Inorganic or Organic-Inorganic Hybrid Substrates, and Conductive Structure Patent License	Industrial Technology Research Institute	September 1, 2024 to August 31, 2026	Patent Licensing	None
Technical Service Agreement for High Aspect Ratio Glass Adhesion Layer and Electroplated Copper Via Fill Technology	Industrial Technology Research Institute	September 1, 2024 to August 31, 2026	Technology Development	None
Technical Service Agreement for Wet Process Equipment Technology App Download and Installation Guidance Service	Industrial Technology Research Institute	September 1, 2024 to December 31, 2024	Patent Licensing Technology Development	None
A+ Enterprise Innovation and R&D Tempering Program - Forward-Looking Technology R&D Project Contract	Industrial Technology Research Institute	September 1, 2024 to August 31, 2026	Technology Development	None
Credit contract	Mega Bank	July 20 2024 to July 19, 2025	Credit line	None
Credit contract	Shin Kong Commercial Bank Co., Ltd.	January 16, 2025 to January 16, 2026	Credit line	None

Nature of Contract	Party	Beginning and end dates	Main Contents	Restrictions
Credit contract	CTBC Bank Co., Ltd.	April 30, 2024 to July 31, 2029	Credit line Medium-Term Project Credit Line Medium-Term Land/Property Credit Line	None Real estate mortgaged
Credit contract	Taipei Fubon Commercial Bank Co., Ltd.	October 18, 2024 to October 18, 2025 October 1, 2021 to October 1, 2026 October 18, 2024 to October 18, 2029	Credit line Medium-term Relief Quota Medium-term Credit Line	None Machinery and Equipment
Credit contract	Taishin International Bank	August 31, 2024 to August 31, 2025	Short-term Credit Line	None
Credit contract	Taishin International Bank	March 28, 2025 to March 28, 2028	Medium-term Credit Line	None
Credit contract	Yuanta Commercial Bank Co., Ltd.	November 12, 2024 to November 11, 2025	Short-term Credit Line	None
Commercial Paper Guarantee	Mega Bills	July 22, 2024 to July 21, 2025	Commercial Paper Guarantee credit line	None
Cash capital increase proceeds storage contract	CTBC Bank Co., Ltd.	December 27, 2024 to Settlement Date	Cash capital increase	None
Cash capital increase proceeds collection contract	Taipei Fubon Commercial Bank Co., Ltd.	December 27, 2024 to Settlement Date	Cash capital increase	None
2024 Cash capital increase securities underwriting contract	MasterLink Securities Corporation Taishin Securities Co., Limited First Securities Incorporation	February 12, 2025 to February 20, 2025	Cash capital increase	None
Construction contract	True-Dreams Construction Co., Ltd.	July 20, 2023 to February 20, 2025	Xinsheng Road factory building construction project	None
Construction contract	True-Dreams Construction Co., Ltd.	December 17, 2023 to July 27, 2025	Xinsheng Road factory mechanical and electrical engineering	None
Construction contract	Shengyi Limited Company	July 1, 2024 to June 30, 2025	Xinsheng Road factory air-condition engineering	None

Five. Review of Financial Conditions, Operating Results, and Risk Management

I. Financial Position

(I) Financial position

Statement of Comparative Analysis of Consolidated Financial Position

Unit: NT\$ thousand; %

Item	Year	2024	2023	Variation	
				Amount	%
Current assets		1,599,729	1,426,043	173,686	12.18
Funds and Investments		-	-	-	-
Property, plant and equipment		794,370	473,943	320,427	67.61
Intangible assets		6,062	8,175	(2,113)	(25.85)
Other assets		453,986	241,506	212,480	87.98
Total assets		2,854,147	2,149,667	704,480	32.77
Current liabilities		977,650	660,120	317,530	48.10
Non-current liabilities		589,410	358,334	231,076	64.49
Total liabilities		1,567,060	1,018,454	548,606	53.87
Share capital		328,700	328,700	-	-
Capital surplus		359,848	359,848	-	-
Retained earnings		342,741	338,461	4,280	1.26
Other equity		152,601	9,559	143,042	1,496.41
Non-controlling interest		103,197	94,645	8,552	9.04
Total shareholders' equity		1,287,087	1,131,213	155,874	13.78

Description of major changes (for items with changes of 20% or more between the consecutive periods and the absolute changes reaching the amount of NT\$10 million):

1. Variance Analysis:(for items with changes of 20% or more between the consecutive periods and the absolute changes reaching the amount of NT\$10 million):

- (1) Increase in property, plant and equipment: The increase was mainly due to construction in progress.
- (2) Increase in other assets: The increase was mainly due to investments in equity instruments at fair value through other comprehensive income and investments accounted for using the equity method.
- (3) Increase in total assets: The increase was mainly due to construction in progress, investments in equity instruments at fair value through other comprehensive income and investments accounted for using the equity method.
- (4) Increase in current liabilities: The increase was mainly due to short-term borrowings and trade payables.
- (5) Increase in non-current liabilities: The increase was mainly due to long-term borrowings.
- (6) Increase in total liabilities: The increase was mainly due to short-term borrowings, trade payables and long-term borrowings.
- (7) Increase in other equity: The increase mainly due to the increase in unrealized valuation gain on investments in equity instruments at fair value through other comprehensive income.

2. If the effect is material significance, describe the measures to be taken in response:

The above changes do not have a material adverse effect on the Company and there is no material abnormality in the Company's overall operating performance; therefore, there is no need to draw up a contingency plan.

II. Financial Performance

(I) Statement of Comparative Analysis of Financial Performance

Statement of Consolidated Comparative Analysis of Financial Performance

Unit: NT\$ thousand; %

Item	Year	2024	2023	Amount increase (decrease)	Variation (%)
Operating incomes		1,594,667	1,283,778	310,889	24.22
Operating costs		1,230,179	976,849	253,330	25.93
Gross profits		364,488	306,929	57,559	18.75
Operating expenses		329,176	277,390	51,786	18.67
Operating profit		35,312	29,539	5,773	19.54
Non-operating incomes and expenses		26,287	15,294	10,993	71.88
Profits before tax		61,599	44,833	16,766	37.40
Income tax expense		11,121	12,320	(1,199)	(9.73)
Net income for the period		50,478	32,513	17,965	55.25
Other comprehensive income for the period		151,232	19,749	131,483	665.77
Total comprehensive income for the period		201,710	52,262	149,448	285.96
Net income attributable to owners of the parent company		35,974	30,087	5,887	19.57
Total comprehensive income attributed to owners of the parent company		186,766	49,777	136,989	275.21

Description of major changes (for items with changes of 20% or more between the consecutive periods and the absolute changes reaching the amount of NT\$10 million):

- (1) Operating income, Operating costs, net income before tax and net income for the period:
The increase was primarily driven by higher revenue from fulfilling customer orders on schedule.
- (2) Non-operating Income and Expenses: The increase was mainly due to the rise in exchange gains during the current period.
- (3) Other comprehensive income for the period, total comprehensive income for the period and total comprehensive income attributed to owners of the parent company: The increase was mainly due to the increase in unrealized valuation gain on investments in equity instruments at fair value through other comprehensive income.

2. Sales volume forecast and the basis therefor, and the effect upon the company's financial operations as well as measures to be taken in response:

- (1) Sales volume forecast and the basis therefor: Based on the industry environment and the future supply and demand in the market, as well as considering product development plans, business development, current order status and production capacity and other related information to be the basis for evaluation, the Company sets its annual targets by integrating the overall market environment and past operating results. In order to meet the

diversified market demands, the Company will continue to introduce new products that are competitive, and expects to maintain steady development.

- (2) The effect upon the company's financial operations as well as measures to be taken in response: No material effect.

III. Cash Flow

(I) Analysis of cash flow variations for the most recent year

1. Analysis of consolidated cash flow variations for the most recent year

Unit: NT\$ thousand

Item	Year	2024	2023	Amount increase (decrease)
Net cash generated from (used in) operating activities		151,737	2,368	149,369
Net cash generated from (used in) investing activities		(361,947)	(95,096)	(266,851)
Net cash generated from (used in) financing activities		325,555	23,771	301,784
Analysis of cash flow variations:				
(1) The increase in net cash generated from operating activities was mainly due to the increase in trade payables.				
(2) The increase in net cash used in investing activities was mainly due to the cash paid from the property, plant and equipment.				
(3) The increase in net cash used in financing activities was mainly due to the increase in long-term borrowings.				

- (II) Improvement plans for the insufficient liquidity: The Company's current cash position indicates that there is no liquidity risk or cash shortage.

(III) Cash flow analysis for the coming year (2025):

Unit: NT\$ thousand

Opening cash balance (1)	Estimated net cash flow from operating activities for the year (2)	Estimated net cash flow from investing activities for the year (3)	Estimated net cash flow from financing activities for the year (4)	Estimated cash balance (inadequacy) (5)=(1)+(2)+(3)+(4)	Financing of cash deficits	
					Investment plans	Financing plan
677,163	56,924	(212,995)	171,074	692,166	—	—
(1) Analysis of changes in cash flows for the coming year:						
A. Inflow from operating activities: Net cash inflow due to increase in sales revenue.						
B. Outflow from investing activities: This was due to the acquisition of land for new factory and factory improvement.						
C. Inflow from financing activities: This was due to the increase in cash capital increases.						
(2) Expected remedies for cash shortfalls and liquidity analysis: There were no cash flow shortfalls in recent years.						

IV. Material capital expenditures in the last year and impacts on financial position and business performance

1. Smart manufacturing has become a key direction in the industry, and is also the Company's development focus. From the single-machine production and inspection in the past, we have begun to use data to link the equipment in the upper and lower processes, from collecting data to analyzing the data, and realize the parameter intelligence, optimize the analysis of the inspection data regression, and improve the overall efficiency of the production line. The smart manufacturing has systematically connected the manufacturing system and has become an important development objective of the Company. We are in line with the government's innovation and entrepreneurship policy to develop the smart machine industry, and to provide the technology and equipment related to industrial smart manufacturing. In response to the upgrade of the smart industry, AI will lead a new form of work scenario based on human-robot collaboration, which will drastically alter the technician's work pattern in the future.
2. We continue to upgrade the R&D for automation equipment, and evolve the production lines for automation equipment through automation and smart factories, so that we can develop related equipment and provide solutions to accelerate the transformation and enhance the industry's new advantages and capabilities.
3. Currently, the factory does not have enough space to accommodate the production capacity for machines, there is not enough office space for employees, and the Company will expand the production line and warehouse space in the future to accommodate future business development, so the Company has already purchased a new factory to address the situation.
4. On October 13, 2021, the Company passed a resolution passed by the board of directors to purchase real estate for business use. A total of 4,161.32 square meters of land was acquired in the Dajiang section of Zhongli District, Taoyuan City, with a total amount of NT\$297,653 thousand. On November 11, 2022, the board of directors approved the case of building a self-built factory and planned to use it as a self-built factory. The total investment amount of this project is expected to be NT\$756 million, which will be paid in installments during the project period. The funding sources will be self-owned funds, bank construction and financing lines and other financing methods. It will not have a significant impact on the Company's financial scheduling and should save money. The original rental expenses and the integration of scattered office, production and warehousing areas will help future business development.

V. Reinvestment policy for the last year, the main reasons for the profits/losses, the plan for improving re-investment profitability, and investment plans for the next year

- (I) Reinvestment policy: The Company's reinvestment policy is aimed at the development of the Company's business rather than short-term financial investments. Currently, the Company has established and implemented various management mechanisms to maximize the operating performance of each of its reinvested businesses, such as the "Operational Procedures for Acquisition or Disposal of Assets" and the "Regulations on Supervision and Managing of Subsidiaries".
- (II) The main reasons for the profits/losses generated, the plan for improving re-investment profitability:

December 31, 2024; unit: NT\$ thousand

Re-invested Company	Investment gain (loss) recognized in 2024	Shareholding (%)	Main reasons for the profits/losses	Improvement plans
HK Synpower Ltd.	64,086	100	Investment gains from investee	None
SynPower Co., Ltd.	7,385	100	Interest income and exchange gain	None
SynTop Co., Ltd.	11,762	77	Positive operation and profitability	None
SynPower Co., Ltd. (Kunshan)	43,702	100	Positive operation and profitability	None
SynPower Co., Ltd. Dongguan	20,087	100	Positive operation and profitability	None
Syndia India Private Limited	(206)	100	Client's revenue declined due to the impact of the economic downturn	Determined based on actual operating conditions
Chipboard Technology Corporation	11,499	51	Positive operation and profitability	None
Jiangsu SLK High-Tech Co., Ltd.	(7,907)	20	Founded in February 2022, the Company is in the start-up phase, so its production has not yet reached an economic scale.	Determined based on actual operating conditions
Synthai Technology (Thailand) Company Limited	(108)	100	Founded in November 2024, the Company is in the start-up phase, so its production has not yet reached an economic scale.	Determined based on actual operating conditions

(III) Investment plans for the coming year: None.

VI. Analysis of Risk Management

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

(1) The effect upon the company's profits (losses) of interest rate fluctuations and response measures to be taken in the future:

Unit: NT\$ thousand

Item	2024		2023	
	Amount	to net operating revenues ratio	Amount	to net operating revenues ratio
Interest income	6,761	0.42%	7,140	0.56%
Interest expense	5,976	0.37%	5,435	0.42%

The interest expense and interest income of the Company and its subsidiaries in 2024 and 2023 represented only a small portion of the operating income, so the impact on the Company was not significant. In the future, the Company and its subsidiaries will continue to adhere to prudent capital planning principles, emphasize safety in capital allocation, as well as take into account the Company's future development. In addition to maintaining good relationships with banks to obtain favorable interest rates, the Company will also consider the costs of different sources of capital and choose appropriate financing methods to meet its growth needs.

- (2) The effect upon the company's profits (losses) of exchange rate fluctuations and response measures to be taken in the future:

Unit: NT\$ thousand; %

Item	2024	2023
Operating incomes	1,594,667	1,283,778
Profits before tax	61,599	44,833
Exchange gain (loss)	16,117	1,493
Exchange gains (losses) to net revenue (%)	1.01	0.12
Exchange gains (losses) to profit before tax (%)	26.16	3.33

The Company and its subsidiaries receive payments primarily in U.S. dollars and Renminbi, and make payments primarily in NT dollars, U.S. dollars and Japanese yen. As a result of the fluctuation of the exchange rates of the U.S. dollar and the Renminbi in 2024 and 2023, the exchange (loss) gain in 2024 and 2023 accounted for 1.01% and 0.12% of net revenues, respectively. Considering the high exchange rate fluctuations that have occurred over the years, the Company and its subsidiaries not only maintain close relationships with financial institutions to continuously observe the exchange rate fluctuations, but also keep track of the international exchange rate trends and movements in order to be able to respond to the impacts of exchange rate fluctuations anytime. The Company and its subsidiaries also flexibly adjust their foreign currency positions in the spot market and adjust the quoted rates of foreign currencies by negotiating with customers or suppliers, hoping to reduce the impact of exchange rate fluctuations on the Company and its subsidiaries through natural hedging methods such as offsetting foreign currency income and expenditure.

- (3) The effect upon the company's profits (losses) of the inflation and response measures to be taken in the future:

A. The effect upon the company's profits (losses)

There was no significant inflation as of the publication date of the annual report, nor was there any significant impact on profit or loss as a result of inflation in the past.

B. Response measures to be taken

The Company and its subsidiaries are always attentive to market price fluctuations and maintain good relationships with their suppliers. There was no significant impact on profit or loss due to inflation in recent years. In the future, the Company will continue to monitor the market price fluctuation and negotiate with various suppliers to minimize the impact of inflation on the Company.

(II) Policies on high-risk and highly-leveraged investments, loans to external parties, endorsements/guarantees, and trading of derivatives; describe the main reasons for the profits/losses incurred and future response measures.

(1) All investments of the Company and its subsidiaries were carefully evaluated and handled in accordance with the "Operational Procedures for Acquisition or Disposal of Assets" and the approval authority. As of the publication date of the annual report, the Company and its subsidiaries had not engaged in high-risk and high-leverage investments.

(2) The Company provides loans and endorsements and guarantees to its subsidiaries in accordance with the "Procedures for Lending of Funds" and "Procedures for Endorsement and Guarantee" of the Company and its subsidiaries.

(3) As of the publication date of the annual report, the Company and its subsidiaries have not engaged in derivative transactions for investment purposes. Future derivative transactions will be handled in accordance with the Company's "Operational Procedures for Acquisition or Disposal of Assets".

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

The core products of the Company include AI machine vision equipment, wet process smart solutions, and production automation integration (smart monitoring and parameter prediction system), which can be integrated to form the "PCB Intelligent Production System" to provide customers with the whole factory and whole line of PCB intelligent production system. The future R&D plan is to invest in smart factory monitoring and production applications, integrated application for automation equipment, and AI technology for vision applications. We will strengthen the application technology for the four major products, namely "machine vision application", "advanced process application/wet manufacturing equipment", "smart manufacturing", and "specialized materials", so that we can create a differentiated value and long-term competitive advantage for the Company and its subsidiaries, and enhance the added-value of our products, in order to pursue the growth of the Company's revenue and profitability at the same time. It is expected that 4~6% of sales revenue will be used for R&D expenses.

- (IV) Financial impacts and response measures in the event of changes in local and foreign regulations:

The Company and its subsidiaries follow domestic and foreign laws and regulations in the daily operations and enhance the internal control mechanism in corporate governance. The Company and its subsidiaries also pay attention to domestic and foreign policy and changes in laws and regulations in order to be able to keep track of and respond to the changes in the market environment. Therefore, the changes in local and foreign regulations did not have any significant impact on the financial operations of the Company and its subsidiaries in recent years.

- (V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

The Company and its subsidiaries continue to devote resources to develop new components and new products and introduce advanced equipment from Japan, Korea and Europe. Technological changes and industrial changes help the Company and its subsidiaries to strengthen their supply chain relationships and to meet customers' demands for new products. At the same time, we work with our business units in market development to collect new data from the market and develop equipment that meets the needs of our customers. As for cyber security, there have been frequent cyber-attacks in recent years, especially the ransomware threat has become more severe. To cope with the cyber security risk, the Company and its subsidiaries have worked with telecommunication providers to enhance the firewall equipment to provide better protection against cyber-attacks. At the same time, we enhance access control and backup periodically to ensure the data safety. Therefore, there is no significant effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change during the most recent year.

- (VI) Crisis management, impacts, and response measures in the event of a change in corporate image:

The Company and its subsidiaries did not have any incident affecting the corporate image during the most recent year and up to the publication date of the annual report. The Company and its subsidiaries will continue to implement various corporate governance requirements and corporate social responsibilities to reduce risks and impacts on the Company.

- (VII) Expected benefits, risks, and response measures in relation to mergers and acquisitions:

During the most recent year and up to the publication date of the annual report, the Company and its subsidiaries did not have any merger plan. However, if there is any merger or acquisition plan in the future, the Company and its subsidiaries will follow the "Procedures for Acquisition or Disposal of Assets" and relevant laws and regulations, and will make a prudent assessment in order to protect the Company's interests and shareholders' rights and interests.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

- (1) Expected benefits: The current leased premises for operation and office space

are not compatible with the Company's future development plan. The acquisition of the factory building has increased the utilization area of the factory while saving the rental cost and reducing the outsourcing cost incurred caused by the lack of production capacity.

- (2) Possible risks and mitigation measures being or to be taken: The Company has acquired land in the Dajiang section of Zhongli District, Taoyuan City, for the construction of a new factory. The estimated investment is NT\$983,572 thousand, which includes NT\$617,972 thousand for the construction cost of the factory, NT\$297,653 thousand for the land cost, and NT\$67,947 thousand for machinery and equipment. The funding sources for this investment will be from bank loans and the company's own funds. The capital expenditure for the construction of the factory is NT\$685,919 thousand, of which NT\$293,749 thousand has been paid, and NT\$392,170 thousand remains unpaid. The Company's construction and civil engineering financing, as well as other bank loan quotas, still have NT\$586,359 thousand available, which should be sufficient to meet the funding needs for the aforementioned capital expenditure plan. Therefore, there should be no significant issues regarding the source of funding for this factory construction. Additionally, after the completion of the factory, as the overall PCB industry gradually recovers, the Company's operational performance is expected to grow steadily each year. It is also estimated that the revenue from the factory's main self-manufactured products will see an annual growth rate of 5% to 9%, which should have a positive impact on both financial and business performance, with no significant adverse effects anticipated.

(IX) Risks and response measures associated with concentrated sales or purchases:

(1) Concentrate Purchases

The major suppliers of the Company and its subsidiaries accounted for 29.30% and 10.08% of net sales in 2024 and 2023, respectively. The main reason is that the Company and its subsidiaries are the Asian distributor for this supplier and the Company and its subsidiaries are also the major sales customers of this supplier; both parties are in a production and sales partnership. Through the technology, service, and integration of the Company and its subsidiaries, we are able to effectively provide information on product markets and technology trends, in order to combine the production and marketing capabilities with this supplier to develop equipment that meets market demands. Furthermore, through the close exchange of technology and information between the two parties, we have strengthened the cooperative relationship in production, sales, service and daily maintenance, and have formed an inseparable strategic partnership. At the same time, by combining the advantages of the Company and its subsidiaries' distribution channels, the Company and its subsidiaries have increased his suppliers' dependence on the Company and its subsidiaries, and have created an irreplaceable position, so that we will not arbitrarily change the agent.

(2) Concentrate Sales

As the development of consumer electronic products become more lightweight and compact, and the functions of these products continue to improve, there is a growing demand for high-end precision inspection and advanced manufacturing applications in the factory. The Company and its subsidiaries are also aiming to move towards the high-end equipment market. The Company and its subsidiaries have been launching high-end advanced application products in recent years, for example, more efficient equipment for high-end ultra-thin boards and fine lines. However, its major sales customers are concentrated in a few capital-intensive and technology-intensive companies, with only a limited number of domestic and foreign manufacturers, so its sales targets are relatively concentrated. Considering the stability and growth of operations, the Company and its subsidiaries continue to develop new customers, expand business through overseas subsidiaries and sales offices, and proactively develop new markets as well as new growth opportunities.

- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

During the most recent year and up to the publication date of the annual report, the Company's directors, supervisors and major shareholders holding greater than 10% of the Company's shares did not transfer the Company's shares, and therefore, there should not be any significant impact and risk to the Company.

- (XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

As of the publication date of the annual report, there were no changes in the Company's governance personnel or top management.

- (XII) Litigation or non-litigation

- (1) The Company's major litigious, non-litigious or administrative disputes that are still under litigation:

As of the publication date of the annual report, there were no major litigious, non-litigious or administrative disputes that are still under litigation.

- (2) List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities: None.

(XIII) Other significant risks and response measures:

Intellectual property management: The Company is technology-based and invests a lot of money in research and development and patent maintenance costs every year. In addition to continuously producing new products, we also produce a large amount of intellectual property. In order to protect the Company's important intellectual assets, apart from applying for patent, the Company has also promulgated the "Regulations for the Management of Intellectual Property Rights", which has been incorporated into the Company's internal audit and internal control system. The Legal Affairs Department holds classes to educate new employees on laws and regulations related to intellectual property rights, in order to minimize the management risks and to protect the Company's intellectual property rights.

VII. Other important matters: None.

Six. Special Disclosures

I. Summary of affiliated companies

Please visit the Market Observation Post System

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of securities in the last year and up until the publication date of the annual report: None.

III. Other matters that require additional description: None.

IV. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

SynPower Co., Ltd.

Chairman: Lin, Win-Bin